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# THE TIMES

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Central America: The  
flaws in the  
Reagan policy, page 14

## Government launches £210m rescue for ICL

The Government is to give aid worth £210m to International Computers, Britain's leading computer company. It has been influenced by the need to protect the national interest, not least its own dependence on ICL equipment, and defend what it considers to be one of the cornerstones of Britain's industrial future.

## Priority to protect national interest

By Peter Hill  
Industrial Editor

The Government yesterday launched a £210m "lifeline" to rescue International Computers (ICL), Britain's leading computer company.

Yesterday's politically embarrassing statement by Sir Keith Joseph, the Secretary of State for Industry, came after weeks of discussions between ICL, its bankers, and Whitehall.

The rescue will involve a large increase in government funding of the company's research and development programme, and guarantees to cover additional borrowings of as much as £200m. ICL is also expected to seek as much as £150m of additional bank facilities shortly.

The decision to support ICL, which the Government considers to be one of the most important parts of Britain's industrial future, is likely to be followed by other claims for support. British Telecom has been pressing for additional funds for its investment programme and last night called on the Government to be sympathetic to its case.

This intervention by the Government into industry has been heavily influenced by the need to protect the national interest, not least the Government's own dependence on ICL equipment. Twenty government departments, including defence and health and social security, use ICL equipment valued at more than £200m.

But ministers will be embarrassed by having to come to the company's aid, albeit indirectly, less than 15 months after the National Enterprise Board sold its 25 per cent stake in ICL on government orders realising £38m for the Exchequer.

In his statement, Sir Keith said: "The Government has a special interest in ICL as a substantial customer for its products. In protecting this special interest, we have given a positive response to a proposal that the Government should provide a limited, temporary measure of support for ICL."

The support package will be an increase in government funding of the company's research and development programme to between £10m and £12m from the present level of between £6m and £8m a year. Guarantees on further bank borrowing over the next two years up to £200m are being provided under Section 8 of the 1972 Industry Act. ICL's bankers, which include Barclays and National Westminster, have agreed to continue their existing support totalling £70m.

Last year ICL's profits slumped by 46 per cent, and in the first three months of this financial year it recorded a loss of £20m. Mr Philip Chappell, the chairman, has said that it hopes to be nearly breaking even by the second half of the year.

The cash crisis has caused the company to lay off 3,700 employees, sell nearly 15 per cent of its property assets, and impose a pay freeze. At the end of last year, after months of wrangling, the company won a £36m contract to provide a new computer system for the Inland Revenue.

ICL accounts for between 29 and 35 per cent of the United Kingdom computer market. Speculation about the solution to the company's cash crisis has increased in recent weeks, and there have been repeated suggestions that foreign companies could be interested in taking over the company.

Mr Kenneth Baker, Minister for Information Technology, said last night: "ICL has been severely and sharply affected in its business for large computers and has suffered a significant fall in orders towards the end of last year. In this month, ICL is not an exception. The company has been forecasting a 20 per cent annual growth in its business and that the support package would provide the company with a 'breathing space' to review its long-term business opportunities."

Its performance over the next two years would be closely monitored by Whitehall and management changes could not be ruled out.

Leading article, page 15  
Financial Editor, page 19  
Breathing space, page 19

## Senior tax officials under siege by pickets

By Donald Macintyre  
Labour Reporter

Pressure on the Inland Revenue mounted last night as bank union leaders called for the blacking of payments to the department, and the Civil Service unions advised traders that they need not pay tax during the dispute.

The Banking, Insurance and Finance Union is calling on 13 clearing banks not to handle credit transfer payments made to evade the enforced closure of the Inland Revenue's two computers at Shipley, West Yorkshire, and Cumberland, near Glasgow.

It is formally advising members in branches at the banks' own computer centres, and at the automated clearing exchange at Edgware, London, shared by all the main English clearing banks, not to process payments destined for the Inland Revenue.

The Inland Revenue continued successfully to process tax cheques yesterday at its offices at Bush House in the Strand, central London, although a picket line reinforced by an early-morning demonstration of about a hundred civil servants and union leaders.

The unions, however, claimed an important moral victory when they found out where the cheques were being sorted after what Mr Anthony Christopher, general secretary of the Inland Revenue Staff Federation, said had been a series of "Stars and Huts" pursuits of vans carrying the payment envelopes from post offices.

Picketing began at Lauriston House, in Edinburgh, and is expected to begin outside the other cheque sorting office, Liverpool Victoria House, at the Arndale Centre in Leeds, this morning.

The Council of Civil Service Unions said that its advice to businesses was that they "should hold on to their money until the strike is over and use it to improve their cash flow."

An advertisement taken by the unions in the *Financial Times* today says the Government's contingency measures to collect revenue are giving only partial coverage and that there is at present no comprehensive system of recording who had and who had not paid PAYE.

It adds that the Customs and Excise have recognized that the issuing of distress notices to defaulters had been suspended.

The Government confirmed that it had ceased to ask the courts for the notices.

Bank staff have been given six giro payment slip sorting codes that show payments are destined for accounts holding value-added tax, income tax, corporation tax, or national insurance payments.

The Inland Revenue and the Customs reacted sharply last night to the unions' invitation to traders to withhold payments.

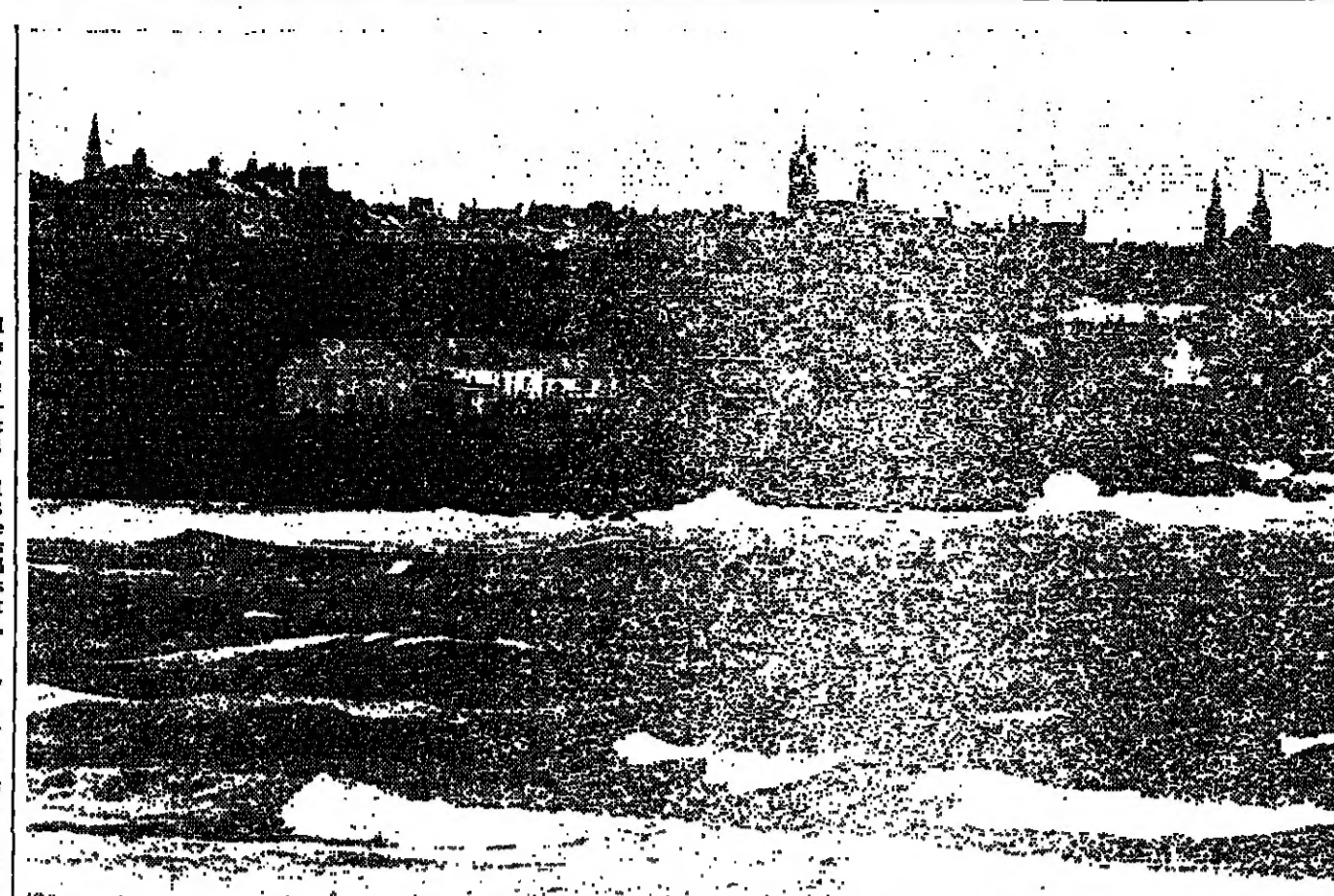
The Customs said there was a legal obligation to pay value-added tax. The Inland Revenue said there was an obligation to pay tax if it is due "and if it can be paid."

because the interceptor passed within one kilometre of its target.

This is the first time, however, that the Russians have destroyed the target. On previous tests the "killer" has been allowed to pass well clear of the target before being detonated.

That is thought to have been because Soviet scientists have wanted to preserve their targets for as many tests as possible. Another reason might be that they have wanted to concentrate upon measuring the distance between the two satellites, by using data fed back to them from the target's computer. The latest test could therefore have more political than military significance.

The Outer Space Treaty of 1967 forbids the deployment and use of such weapons in space, but not experimental research.



Hope abandoned: Waves breaking on the rocks off Buckie, Grampian, whose citizens were told yesterday that hope had been abandoned for six local men lost on board the fishing vessel Celerity in stormy seas in the Pentland Firth. The loss brings to 22 the number of

Buckie men who have died at sea in under two years. The Celerity, a 65ft wooden seine-netter, vanished early on Wednesday morning after losing contact with an accompanying fishing vessel in sleet and rain that blanketed visibility. Racing tides prevented the

Celerity's companion from searching the area and sweeps by the RAF in the Pentland Firth failed to find any trace of the missing vessel. The loss means that six wives are widowed and 14 children are fatherless. Town stunned, page 2

## Ex-diplomat was not blackmailed or pressurized, solicitor says

Sir Peter Hayman, the former diplomat who was involved in a child pornography investigation, was never blackmailed, approached or subjected to pressure, Sir David Napley, his solicitor, said in a statement last night.

Sir David said: "Sir Peter authorizes me to express, on his behalf, his deep regrets for the intense embarrassment and distress which has been caused to his family, friends and many others."

The statement attacked the naming of Sir Peter. "The irresponsible conduct which resulted in Sir Peter and his family being pilloried goes to the very root of the discretion to prosecute," it said.

Sir David said that a factor which the Director of Public Prosecutions customarily took into account when deciding to prosecute was "whether the indirect punishment and hardship which a defendant may suffer is likely to be so disproportionate to the severity of the alleged offence as to any penalty imposed by a court that it would be unjust to prosecute."

As later events have clearly shown, this was overwhelmingly the situation in Sir Peter Hayman's case and manifestly justifies the director's decision.

The written answer given today by the Attorney General made clear that there has never been any allegation or indeed suggestion of any participation by Sir Peter Hayman in an act or conduct involving the corruption of young people or children.

Indeed, if there had been, proceedings would rightly and inevitably have followed.

"The inquiry concerning the posting of material in sealed envelopes, which none but the sender and the recipient would see, was a separate and distinct police inquiry from that which subsequently led to the prosecution at the Central Criminal Court of those charged with conspiracy to corrupt public morals."

"There was never any allegation or suggestion that Sir Peter Hayman was involved in that conspiracy."

"Indeed, inquiries show that the decision was taken by the DPP in Sir Peter's case before the papers in the late case were received by his office. The only allegation against him concerned the use of the post for sending material."

"He had no material with which the Paedophile Information Exchange was involved."

until well after the period when he retired from the Foreign Service, now nearly seven years ago, and it is significant that, as I am informed, the two persons involved with far more serious material, against whom charges were brought, were subjected by the magistrates to only a condition discharge."

MP not satisfied: Mr Geoffrey Dickens, Conservative MP for Middlesbrough, West, who has asked for the prosecution of Sir Peter Hayman for sending and receiving pornographic material through the post, said last night that he was not satisfied with the written answer given to him in the Commons by Sir Michael Havers, QC, the Attorney General (our Political Correspondent writes).

"I still think there has been a cover up, and I am writing to the Attorney General asking him to resign," he said at a House of Commons press conference.

After dealing with the affair of the diplomat, Mr Dickens made a statement announcing that his marriage had broken up, and that his partner now was Mrs Maureen Knight, aged 43, who is divorced. She is proprietor of a nursing home in Tunbridge Wells.

She was present with him at the press conference, in tears, as he made the announcement. He said he would telephone his wife.

Reference was made to the former diplomat during the trial at the Central Criminal Court of Mr Tom O'Carroll, aged 35, chairman of the Paedophile Information Exchange, to which Sir Peter, the former British High Commissioner in Canada, subscribed. Mr O'Carroll was sentenced to two years' imprisonment for conspiring to corrupt public morals.

Full Commons reply, page 2  
Sexual deviation, page 14  
Leading article, page 15



Mr Geoffrey Dickens at the Commons yesterday with Mrs Maureen Knight, for whom, he said, he has left his wife.

In his parliamentary reply, Sir Michael Havers said that in 1978 a packet containing obscene literature and written material was found in a London bus. Subsequent police investigation revealed a correspondence of an obscene nature between Sir Peter Hayman and a number of other persons.

Altogether seven men and two women were named as possible defendants in the report submitted by the Metropolitan Police to Sir Thomas Hetherington, Director of Public Prosecutions.

"The director advised against prosecuting any of the nine persons, either under Section 11 of the Post Office Act, 1953, or for any other offence," Sir Michael said.

"Among the considerations: the fact that the correspondence had been contained in sealed envelopes passing between adult individuals in a non-commercial context and that none of the material was unsolicited."

In a prepared statement, Mr Dickens said afterwards: "I am quite shocked and surprised. I think that if you have laws available to you for offences, however trivial, you should either enforce those laws or have them repealed."

"I was very surprised that the Attorney General made no reference to the contents of the explicit entries in the many volumes of diaries found at the premises of this British diplomat. Nor did he make any reference to the hoard of pornographic material found by police officers."

Full Commons reply, page 2  
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Leading article, page 15

## Shortage of oxygen kills worker in spacecraft

From Michael Leapman  
New York, March 19

A worker at the Kennedy space centre at Cape Canaveral, Florida, was asphyxiated today when he and five others walked into a compartment of the trouble-plagued space shuttle Columbia which had been filled with nitrogen.

Two hours after the countdown ended, the six men walked into a compartment of the craft to check the engines, unaware that all the oxygen had been pumped out and replaced by unbreathable nitrogen. Five of them collapsed and a sixth was able to leave on his feet with assistance. Three were released from hospital after treatment.

"The aft portion of the orbiter normally is filled with nitrogen to get the oxygen out," a spokesman said. "That is done to prevent fires in that area and to prevent anything explosive from seeping in."

He added: "There is no way you can see or smell that you are moving into an area that lacks oxygen. It is normally a closed area and you can only get into it by going through access panels."

The date of the initial 54-hour flight has not yet been fixed but, before today's accident, it was thought likely to be in the week of April 5.

## American wants to build three Titanics

By John Huxley

An American businessman has asked the Harland and Wolff shipyard in Belfast if it could build three replicas of the ill-fated Titanic.

So far, the yard has received two letters from Mr James Beasley, chairman of Transatlantic Risk, which specializes in transport, air and marine insurance, and is based in San Diego, California. A Harland and Wolff official said that Mr Beasley's general philosophy was that a new breed of liner was needed by people wishing to cross the Atlantic.

Harland and Wolff, now a loss-making yard, built the Titanic, which sank south of Newfoundland on April 14, 1912, with a loss of more than 1,500 people after striking an iceberg on her maiden voyage. Titanic I, Titanic II and Titanic IV would cost \$1,500m (about £660m). The Belfast shipyard was chosen, it seems, in the interests of authenticity.

The letters contained no direct proposals for Harland and Wolff, although it is understood that Mr Beasley has engaged a firm of naval architects, Rosenblatt of New York, to draw up detailed designs.

Yesterday Mr Beasley, who held press conferences in the United States earlier in the week, said that the ships would resemble the Titanic only on the outside, with modern interiors. The ships would cater for only 600 passengers, with prices from £1,000 a day.

Little is known in Britain of Transatlantic Risk, but Mr Beasley said that the financial package was being put together by several large companies and banking organizations. Transatlantic Risk was set up three years ago and created a subsidiary, the Titanic Passenger Steamship Line, two years ago.

Mr Beasley said that the ships would pay for themselves within four years. He hoped to start a liner service from 1985.

Reports of the possible orders were greeted with scepticism - if not actual disbelief - in Belfast yesterday.

The state-owned yard employs about 7,000 workers whose spread of skills are different from those needed to build large, luxury liners. In recent years the company has been building bulk carriers, tankers and ferries, and has had £250m state aid since the 1960s.

Harland and Wolff believes that there was nothing wrong with the Titanic and that had it not struck an iceberg, it would have had a long and useful life. "We believe it would have passed all seaworthiness requirements up to the 1950s," an official said.

Several salvage attempts have failed. Mr Jack Grimm, a Texas oil millionaire, plans to resume his search off the Newfoundland coast this summer.



The Titanic leaving Harland and Wolff's yard in 1912.

## Success for Soviet killer-satellite

From Patrick Brogan  
Washington, March 19

The Soviet Union has apparently developed homing devices which can trace enemy satellites. The hunter explodes in the vicinity of its target, showering it with shrapnel and breaking up its crafters, beams and other instruments, all of which hang around the satellite in a vulnerable array.

In a statement to Congress last month, General David Jones, the chairman of the Joint Chiefs of Staff, said that the Soviet Union was acquiring the ability to attack American satellites in low orbits, which would make most of its space systems "vulnerable to damage."

Our Defence Correspondent writes: The Soviet Union is reported to have carried out 17 tests of "killer-satellites" since 1968. Ten of those have been classified as "possibly successful" by Washington sources,

because the interceptor passed within one kilometre of its target.

This is the first time, however, that the Russians have destroyed the target. On previous tests the "killer" has been allowed to pass well clear of the target before being detonated.

That is thought to have been because Soviet scientists have wanted to preserve their targets for as many tests as possible. Another reason might be that they have wanted to concentrate upon measuring the distance between the two satellites, by using data fed back to them from the target's computer. The latest test could therefore have more political than military significance.

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## 'Detente dead' remark denied in Washington

The American State Department has repudiated an interview given by an official of the National Security Council who said that detente was dead. At the same time Mr Alexander Haig, the Secretary of State, has reaffirmed his resolutely anti-Soviet policy by denouncing the Russian "objective" of striking at countries on or near the vital resource lines of the West. Page 6

BNOC shares delay  
Shares in the state-owned British National Oil Corporation are unlikely to go on sale in the present parliamentary session because of the time taken up by Canada's Constitution Bill. It is also thought that ministers are lukewarm, at least on bringing in private capital. Page 17

New Front march ban  
Despite a ban imposed by the Home Secretary on the National Front march in Leeds on Sunday, the organization said it would be demonstrating elsewhere, probably in Yorkshire. The ban came after talks between councillors and police. Page 2

## Mr Steel's hopes for electoral alliance

Mr David Steel, the Liberal Party leader, said that the latest poll confirmed that only an alliance of Social Democrats and Liberals could offer voters an alternative choice of government. Page 2

Fisheries impasse  
British sources in Brussels have dismissed as unacceptable a new proposal by the European Commission intended to enable Britain to lift its veto on an EEC-Canada fisheries agreement, which is of vital interest to West German fishermen. Page 6

Mother wins fight  
Mrs Anwar Ditta, who was born in Britain, has won a fight begun in 1973 to bring her three children to Britain from Pakistan. Privately arranged blood and tissue tests convinced the Home Office. Page 3

Kenyan treason trial  
Two Kenyans appeared in a Nairobi court charged with treason and misprision of treason respectively. One is accused of plotting to overthrow President Moi, and the other of throwing the plot and failing to take action to avert it. Page 7

## Stricter code on car sales and servicing

A stricter code to cover the sale and servicing of new and secondhand cars was announced by the Director General of Fair Trading. It is supported by manufacturers and traders, in view of Parliament's expressed concern at the present low standards, he said. The Consumers' Association gave it a qualified welcome. Page 4

Polish-German talks  
Herr Genscher, the West German Foreign Minister, has begun talks with Polish officials in Warsaw on financial aid and detente. He brought with him the promise of a DM 150m (£32.5m) credit. Mr Kania, the Polish leader, who is in Budapest, is expected to return to Warsaw in time to join the talks. Page 7

Africa: Lack of money and transport hinders efforts to prevent starvation in many lands. Page 7

Classified advertisements: Personal, pages 20, 25; Appointments, 12; Car buyers' guide, 12.

## Jersey farm has foot and mouth

By Hugh Clayton  
Agriculture Correspondent

Foot-and-mouth disease was confirmed yesterday on a farm in Jersey. It was the first outbreak in the United Kingdom since 1968 and the nearest to the British mainland since the disease appeared in northern Normandy seven years ago.

The virus was of the type found on farms near the coast of Brittany early this month. The appearance of the disease on an island about 50 miles from the French coast illustrates how easily the virus can be wind-borne.

Jersey is only about a hundred miles from Dorset and farmers in southern England were alerted yesterday. There are 8,000 cattle in Jersey, which had its last foot-and-mouth outbreak in 1958. Six cows and a bull from the infected farm were slaughtered on government orders yesterday and all transport of animals was banned.

The last British outbreak cost £27m in government compensation to farmers for more than 400,000 cattle destroyed. Some EEC countries control the disease by regular vaccinations.

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simply by what they say and how they say it. Those who realise this radiate enthusiasm, hold the attention of their listeners with bright, sparkling conversation that attracts friends and opportunities wherever they go. Whether in business, at social functions, or even in casual conversation with new acquaintances, there are ways in which you can make a good impression every time you talk.

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WHAT CAR APRIL 1981, REVIEW OF DIRECTORS CARS.

## Annual review/cars of the year

## Seven's heaven

German built cars dominate our costliest category with BMW's luxury Seven series models taking the top two places

DIRECTORS CARS	Value	Comfort	On the road	In service	Costs	Total
BMW 732i	15	18	18	18	15	82
BMW 728i	16	19	17	17	15	80
Opel Senator 3.0CD	16	17	18	16	12	77
Audi 200 ST	14	14	16	16	14	76
Deimler Sovereign	13	18	16	15	14	75
Rover V8S	14	14	15	15	16	74
Lotus Elite S2.2	12	15	17	14	14	72
Alfa Romeo Six	10	12	13	11	13	59

BMW 728i £12,435 80pts

BMW 732i £14,325 81



BMW's 7-series range has been considerably improved - so much so that the 3.2 litre 7.23i replaced the 3.0 litre 7.23i, formerly BMW's most expensive model. It still retains a luxurious interior, including the 7.23i's management electro everything running on a six cylinder power.

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## 'Detente is dead' claim is repudiated by State Department

From Patrick Brogan  
Washington, March 19

Mr Alexander Haig, the Secretary of State, has reaffirmed a resolutely anti-Soviet foreign policy. He told a Congress committee today, "Soviet adventurism in the Horn of Africa, in the Gulf and in South Asia, appears to conform to a basic and ominous objective: to strike at countries on or near the vital resource lines of the West."

Yesterday, he accused the Soviet Union of operating training camps for "embryos of World terrorism" and of practising "interventionism" in nearly every area of the globe. At the same time, however, the State Department repudiated an interview given to Reuters by Richard Pipes, an official of the National Security Council, who said that "detente is dead" and that broad negotiations with the Russians were impossible under present circumstances.

Rebukes denouncing the Soviet Union in general, Mr Haig has made a number of specific points. He said that the United States might have to supply up to 2,500 troops for the international peacekeeping force that is to start policing the Sinai peninsula when Israel completes its withdrawal in April next year.

**Soviet suspicion:** The row in Washington over the remarks made by Mr Pipes reinforced American convictions that the Reagan Administration, whatever its public denials, is not interested in further disarmament talks with Moscow at present (Michael Eizenstat, Secretary of the Arms Control and Disarmament Agency, said today that "detente is dead" and that broad negotiations with the Russians were impossible under present circumstances).

Soviet leaders are easily attracted by conspiracy theories, and hardliners will find satisfying proof in Mr Pipes's statement that detente is dead that Washington cannot be trusted and has now revealed its real stance.

This might be used to diminish the influence of such figures as Professor Georgi Arbatov, head of the Soviet Institute of the United States and Soviet-American relations, identified as a liberal on relations with America.

Professor Arbatov could have been the main Kremlin adviser who suggested that President Brezhnev should take a soft line with the Americans in his speech at the party congress instead of engaging in polemics, as this would be more disconcerting in Washington and politically effective in Western Europe. Indeed, he was at pains recently to justify the soft approach in a recent Pravda article which suggested Mr Brezhnev's sudden offer of a summit was a triumph of Soviet diplomacy.

## Mr Benn says all Europe must cooperate or perish

By David Wood

Mr Wedgwood Benn expounded his view of the Labour Party's policies for nuclear disarmament and for a wider and less limited Europeanism than the EEC offers when he delivered in Lisbon yesterday the second lecture of four in the joint banners of the BEC and the Gulbenkian Foundation.

Last year Mr Edward Heath spoke about the EEC; yesterday Mr Benn called his lecture "Europe: a new perspective" and saw a vision of a new and wider Europe that overcame ideological differences between East and West.

He posed the question of cooperation between East and West Europe and said that if Europe were to survive a nuclear holocaust the task must be attempted. "There must be fresh thinking and a new agenda," The Kremlin feared any genuine test of public opinion in a free election; the United States had its own worries, but the United States and the Kremlin were mistaken if they believed that the other was seriously planning for world domination.

## Security review delay pains West

From Richard Wigg  
Madrid, March 19

Western diplomats attending the European security review conference are now clearly depressed at the time taken to progress in what should be the concluding phase.

Several Western delegations are known to be pressing for an end to the Madrid meeting before Easter week. But there was also talk in the conference corridors today about a fortnight's recess over Easter.

The 35-nation conference began last September. Belgium, West Germany and the United States have all gone on record in plenary session expressing deep concern at the lack of any real movement.

West Germany and Belgium have argued that the time has come either to get down to writing as substantive a concluding document as possible, or to accept closure of the meeting as a casualty of present East-West tensions and let the so-called Helsinki process for detente await kinder times.

"We must finally know where we are," Herr Jörg Kastl, leader of the West German delegation, declared bleakly. "In order to restore the reputation of this meeting, which has already begun to suffer in our peoples' eyes, we need all the delays, what is required now is for us to get down to giving prompt answers to the issues before us."

## Refusal to ratify Canada deal angers Germans and strengthens Paris-Bonn alliance British stand on fishing threatens to sour EEC summit

From Michael Hornsby  
Brussels, March 19

The latest turn in the EEC fisheries dispute, which threatens to leave a most unpleasant smell in next week's summit meeting in Maastricht, has pitted Britain against West Germany.

This must be confusing to people in Britain accustomed to seeing the fisheries quarrel presented as a straightforward British-French dust-up of a familiar Community variety.

The dispute remains, in fact, essentially a Franco-British affair. The new German dimension is merely a complicating variation of an underlying theme, though none the less damaging to Britain's relations with its EEC partners.

The story could be said to have begun last May, when Britain came under pressure to offer concessions over fisheries in return for the deal struck by EEC foreign ministers on reducing Britain's contribution to the Community budget.

Britain, with its rich fishing grounds, had long demanded the main share of the Community fish catch, and insisted on the right to reserve fishing in coastal waters mainly for its own trawlers.

None of these demands was abandoned, but as a gesture of goodwill Britain did accept a commitment, together with her partners, to put a new Community fisheries policy into effect by the end of last year.

Good progress was made during the second half of last year, but in December negotiations broke down on the crucial issues of catch shares and access for French trawlers to British coastal waters.

France was widely blamed for the impasse, and there was probably more sympathy for the British case than at any time during the previous months and years of argument, when Britain had been isolated.

Unfortunately, Britain also refused to ratify fisheries agreements between the EEC and non-Community countries

until an internal fisheries policy had been established. Among the agreements affected was one with Canada, which should have gone into force on January 1.

The Canadian agreement would have allowed West German small deep-sea fleets into the rich cod-fishing grounds off Labrador and Newfoundland. In return, the EEC would cut tariffs on imports of 24,000 tonnes of frozen cod, herring and redfish from Canada.

The fishing season off Canada ends about mid-April, because the fish move elsewhere. Trawling in any case becomes more hazardous because of drifting ice. So unless the Canada deal can be ratified now it will be of little use to the Germans this year.

The British veto was at first thought to be largely tactical, and a way of keeping pressure on Bonn to support an overall fisheries settlement acceptable to Britain. If so it is a tactic that has seriously misfired, having merely reinforced the

Franco-German axis, which had earlier shown signs of waning. But the British now say they have a more practical fish that would come to the EEC, they would land up on the already depressed British market, which is ill-protected under existing EEC policy against cheap imports.

EEC foreign ministers tried earlier this week to agree on new market-strengthening measures, including a ban on cheap imports, that would enable the British to lift their veto on the Canadian deal and thus appease the West German demand for the rest of the EEC fisheries policy to be decided later.

Some progress was made, and the permanent committee of EEC ambassadors is to meet tomorrow to try and put together a compromise on the basis of a new proposal from the European Commission. But there appears to be only a slim chance of agreement before the summit.

An unanswered question is whether the continuing stalemate on fish could threaten Britain's budget repayments. This was hinted at yesterday by the West Germans, who insist there is a clear link between the budget deal and the commitment to implement a new fisheries policy.

The British are inclined to dismiss this as bluff. They are also somewhat aggrieved, pointing out that they were ready last December to do a deal but were blocked by the French. They say they gave away most of their negotiating margin then and now have little room for manoeuvre.

In practice Britain's budget rebate for 1980 has been largely paid over and is not at risk. But if this is not accepted dragged into the second half of the year, it is conceivable that the payment for 1981 could be threatened. The amount of money to be reimbursed in 1982 also has still to be negotiated.

## Pope visits worried men at a steelworks

From Peter Nichols  
Rome, March 19

The Pope today approached the fiery furnace of social discontent with his visit to the steelworks at Terni where tons of molten metal were being poured before his eyes in an atmosphere of crisis in the steel industry and the worst period of labour relations for many years.

The Pontiff was pursued by reports that his own worldwide tour at the Vatican was planning a protest march against its employer for the first week in April.

Tomorrow, Rome expects the descent of some 10,000 protesting steelworkers who are taking part in a national strike in the state foundries, while industrialists both in the private and public sectors are concluding a conference marked by a strong attitude against wage demands.

The Pope's hosts will be on strike tomorrow. He chose today for his visit because it is the feast of St Joseph, regarded by the Roman Catholic Church as the protector of its workers.

The Terni steelworks, established in 1935 by Mussolini because the town was reasonably near Rome and away from the northern frontiers. The next nearest to Rome is the steelworks in the Bay of Naples. Two days ago the city's unemployed occupied urban premises until the police dispersed them making more than a hundred arrests.

The Pope said on his arrival by helicopter at Terni that he had come "to bring a word of encouragement to all the workers". He would express his solidarity, his friendship and his affection for the workers. He said he had personally shared the "hard living conditions" of a worker.

The Pontiff ate at midday in the workers' canteen and he received the 150 members of the Terni workers' council. He told them that he fully understood their worries about the crisis in the steel industry.

"I share your worries," the Pope said, "as fathers and as men, and I know that they are justified. There is no time for Terni's troubles were the result of both the national and the international situation."

One of the members of the workers' council told the Pope that he had grasped the heart of the matter. He said he had seen the Pope's flag outside the building calling for development of the works industry.

## British envoy in talks on detente with Mr Gromyko

By Our Diplomatic Staff

Britain has been trying for two and a half years to get a meeting such as the one held on Wednesday between its ambassador in Moscow and Mr Andrei Gromyko, the Soviet Foreign Minister.

After frequent requests for such a meeting, Sir Cuthbert Keeble found himself admitted to Mr Gromyko's presence on Wednesday. The Russians had previously decided that the whole philosophy of the Rome Treaty entrenching and sanctifying market forces would be now judged.

Today's challenge was how to return to full employment without rearmament and war. It was against that background that the whole philosophy of the Rome Treaty entrenching and sanctifying market forces would be now judged.

The Foreign Office said yesterday that the meeting had covered various East-West issues, particularly Afghanistan.

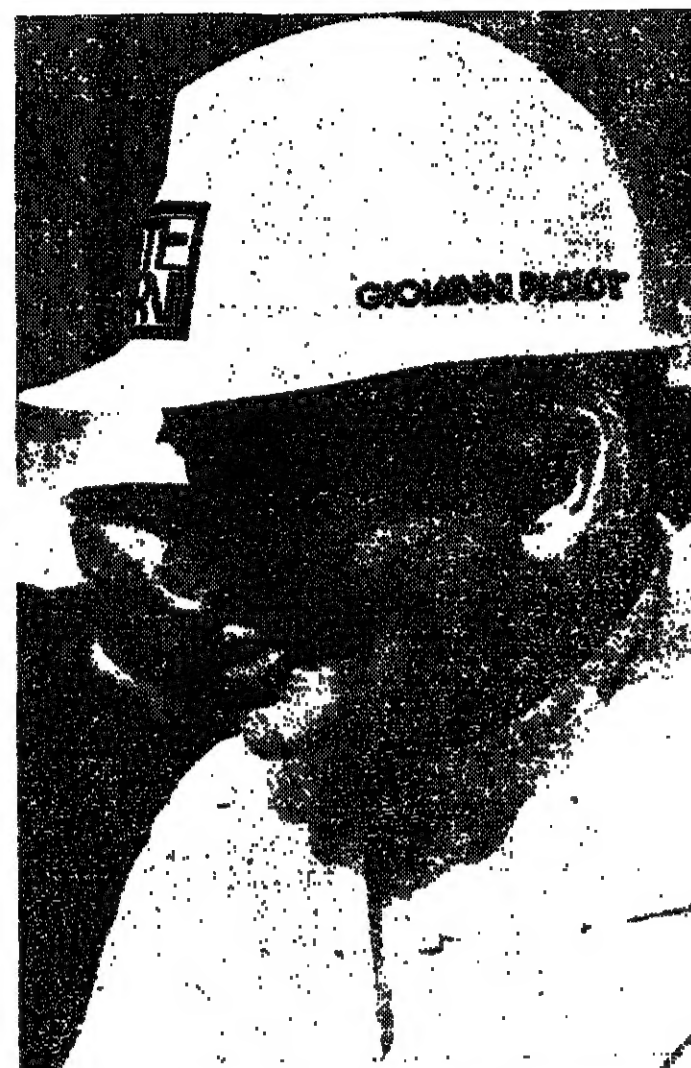
tending the area of confidence building measures (CBMs) relating to troop movements to cover all the Soviet European territory.

But that hope has now gone sour with the United States and Western delegations complaining of an ominous lack of precision when they press the Russians to say whether the CBMs could be verified.

Mr Yuri Dubynin, speaking of a "generous" Soviet initiative to extend the area from the present 250 kilometres (160 miles) inside Soviet territory to 2,500 kilometres (1,600 miles) demanded similar measures from the West. The West German delegate has protested that the Brezhnev "concession" was now being used in threat that if there was no agreement on the Soviet demand for a disarmament conference, there would be no progress on the other "baskets", or even another follow-up conference after Madrid.

Mr Max Kampelman, the chief American delegate, told the Russians that "vague and undefined conditions designed to weaken or distort the criteria laid down in the French proposals for a European disarmament conference are unacceptable to the United States".

And so the conference goes on, inconclusively, from session to session.



The Pope dons a white helmet with his name printed on it while visiting a steel plant.

in the steel industry which brought the threat of unemployment. "I share your worries," the Pope said, "as fathers and as men, and I know that they are justified. There is no time for Terni's troubles were the result of both the national and the international situation."

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stood of a shutdown were not addressed to the Pope, the worker said. "We need the understanding of the whole Christian community."

Another member of the council told the Pope that they would go to Rome tomorrow "to defend the Terni works and to defend Italy".

The planned protest in the Vatican is organized by the Association of Lay Workers which was established in 1979 and given official recognition last year.

that of the churches, the Catholic church, the reformed churches, the Jewish religion, and the humanitarian organizations, national and international, I am against the death penalty."

M Peyrefitte said he respected "the conviction of the Socialist candidate in the presidential elections, the more so that he himself had never made any secret of the horror which I feel for this punishment." But what was not respected was M Mitterrand's contention that his attitude was shared by the Catholic Church or the Jewish religion.

In a statement issued later today, the Israeli Embassy in Paris regretted the minister's assertions, saying he "was perhaps ill-informed". The embassy was "anxious to make clear the clear Jewish position had never existed in Israel since the creation of the state. It could therefore neither be abolished nor restored."

Of the four leading candidates in the presidential elections, two—M Mitterrand and M Marchais, the Communist leader, have said they are opposed to the death penalty; M Jacques Chirac, the Gaullist candidate, favours a referendum; and M Giscard d'Estaing has said that the abolition of the death penalty should be proposed to Parliament.

Disappearance of Ronald Biggs seen as a stunt

Rio de Janeiro, March 19.—Ronald Biggs, the fugitive British train robber, was still missing from his home here today, but Brazilian police believe his disappearance is a publicity stunt and not a case of kidnapping.

"We're practically convinced this is another one of Biggs' tricks," a police official said, adding: "We understand Biggs has a book of his memoirs coming out later this month."

Mr Biggs, aged 51, arrived in Brazil in 1970 after escaping from a British prison where he was serving a 30-year sentence for taking part in the 1963 "great train robbery". Brazil rejected extradition requests because he was the father of a Brazilian child.—A.P.

## Reprieve fails as death penalty debate continues

From Charles Hargrove  
Paris, March 19

The Cour de Cassation, the highest court in France, today rejected the appeal of Philippe Marchais, aged 24, who was sentenced to death by a Paris court last October for murdering a policeman.

His last hope of clemency now lies with President Giscard d'Estaing. He is active in French prisons. He is active in French prisons. He is active in French prisons.

M Mitterrand is one of five men under sentence of death in France. He is active in French prisons. He is active in French prisons. He is active in French prisons.

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## Mr Dayan to lead new party in June election

From Christopher Walker  
Tel Aviv, March 19

Mr Moshe Dayan, the Israeli war hero and former Foreign Minister, announced today that he was coming out of semi-retirement and returning to active politics in time to lead a new centre party at the general election in June.

The decision comes after weeks of speculation about the possible creation of a new party, which observers expect to have a significant effect on the outcome of the poll—possibly depriving the Opposition Labour Party of an expected landslide victory.

Addressing foreign correspondents, Mr Dayan said that the two main conditions enabling him to lead a new party for the Knesset (Parliament) had been met. These were agreement on a political and economic platform and the fact that 15 prominent Israeli political figures who were asked to run with him had pledged to do so.

Mr Dayan said that the new party would not be what he described as a "bogus" coalition. Among its leading members, he stated, would be members of the kibbutz and trade union movements and prominent personalities from Israel's large community of oriental Jews. It is the oriental Jews, he said, who have been the decisive element in gaining Mr Menachem Begin his unexpected victory in 1977.

Although Mr Dayan has refused to reveal the names of his new party colleagues, they are known to include Mr Yigal Hurvitz, the former Minister of Finance, and Mr Yisrael Katz, the Minister of Labour.

For the first time, Mr Dayan admitted today that his private efforts to persuade Mr Ezer Weizman, the popular former Defence Minister, to join the new party had failed.

Recent opinion polls have varied widely in their predictions about Mr Dayan's chances in the election, but one of the most reliable has recently predicted that a Dayan-led Centre Party could win 19 seats in the 120-member Knesset.

At the last election, Mr Dayan stood on the Labour Party list, but later infuriated party stalwarts by pressing over to serve in the right-wing Likud Cabinet. He resigned office in October, 1979, in protest at the Government's policy on Palestinian autonomy.

Today Mr Dayan dropped a strong hint that he would be unlikely to join a future Labour-led coalition, a decision which could give an unexpected boost to Mr Begin's chances of being reelected Prime Minister.

At his hour-long press conference, Mr Dayan emphasised that the central plank in his party's platform would be the unilateral withdrawal of the Israeli military administration from the occupied West Bank and Gaza Strip.

Setback for Israeli drive to increase settlements

From Our Own Correspondent  
Jerusalem, March 19

The right-wing Israeli Government has suffered a serious setback to its controversial pre-election drive to increase the number of Jewish settlements in the occupied West Bank before polling day on June 30.

On behalf of 20 Palestinian landowners living near the West Bank town of Anabta, the Israeli High Court has issued a temporary injunction preventing any further excavation or demolition work on about 750 acres of land earmarked for a new settlement called Shavei Shimon B. The proposed settlement was one of seven started on the same day last week.

During the hearing Mrs Felicia Langer, the left-wing Jewish lawyer, submitted that the land taken for the new settlement (whose Hebrew name means "Those returning to Samaria") had belonged to local Arabs for generations and was being broken up by troops. The militant Palestinian mayor of the neighbouring town of Nablus, Mr Bassam Shaka, has been warned officially by the Israeli authorities to stop leading his fighters to the landowner's campaign.

It is understood that the temporary injunction freezes the situation, forbidding the Army to do any more clearing work on the isolated Samaritan hillside or to remove anything from the land until the lease is considered by a panel of three Israeli judges. No date has been set for the full hearing.

The Israeli action has already resulted in violent clashes between local Arabs and Jewish construction workers, and two protest marches to the site have been broken up by troops. The militant Palestinian mayor of the neighbouring town of Nablus, Mr Bassam Shaka, has been warned officially by the Israeli authorities to stop leading his fighters to the landowner's campaign.

Kabul denies it aided hijackers

Moscow, March 19.—The Afghan regime today denied allegations that it had aided three men who hijacked a Pakistani airliner this month.

The Afghan authorities categorically rejected allegations that the hijackers had been given arms in Kabul. Tass said: "Reporters were told in Washington on Tuesday, that according to the clear evidence, the hijackers flew into Kabul with pistols but left armed with automatic weapons.—A.P.

## Trudeau refuses to halt debate on constitution

From John Best  
Ottawa, March 19

Mr Pierre Trudeau, Canadian Prime Minister, rejected an Opposition suggestion to suspend the constitutional debate in Parliament make way for new economic measures.

He was replying in Commons yesterday to Mr J.C. Croble, Conservative financial spokesman and former Finance Minister, who asked him to "suspend" the constitutional debate and bring in a policy to deal with inflation and unemployment.

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Honduras leaders are saying the plan is "injurious to national sovereignty" and "excusable" because of the rights as a coastal state to be involved in drawing maritime demarcation lines.

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## Latest EEC proposal rejected by London

From Our Own Correspondent  
Brussels, March 19

A new proposal was made here today by the European Commission aimed at enabling Britain to lift its veto on an EEC-Canada fisheries agreement which is of vital interest to West German fishermen. But it was immediately dismissed by British sources as unacceptable.

Unless the new offer can be greatly improved at a meeting of EEC ambassadors here tomorrow, it appears certain that the Anglo-German dispute will spill over into the EEC summit meeting at Maastricht next week, which promises to be a somewhat rancorous affair.

The Canadian deal would allow West Germany's deep-sea trawlers into Canadian cod-fishing grounds off Labrador and Newfoundland. In return the EEC would cut tariffs on 24,000 tonnes of frozen fish imports from Canada, much of which, the British claim, would be sold on the already depressed British market.

To meet the British complaints, the Commission has proposed the adoption of a number of market protection measures which would normally have had to await agreement with a new common fisheries policy. Such an agreement is still in sight.

The proposed measures include a 10 per cent increase in the minimum "support" prices for cod, haddock and hake, the subsidised export of Poland of 3,000 tonnes of white fish, and a 10 per cent increase in the fish support price. This was rejected by West Germany as too high price to pay.

At a meeting of EEC foreign ministers earlier this week, however, British demands for a 25 per cent increase in the fish support price, this was rejected by West Germany as too high price to pay.

Officer shot outside church

From Harry Debelius  
Madrid, March 19

A Spanish Army officer was shot and seriously wounded in an attack by Basque politicians as he delivered a vocative to reactionary elements in the armed forces.

Lieutenant-colonel Ramon Romeo Artache was shot as he left a church in Bilbao today. He was accompanied by a Catholic priest, Father Joseph, Fathers' Day in Spain.

The military wing of the outlawed separatist organisation ETA (Basque Homeland and Liberty) was suspected, as it has been responsible for a number of assassinations of military officers in the past in Madrid as well as in the Basque country.

The officer, father of the children, was still alive but after the attack, but doctors said the wound was extremely serious. He was taken to headquarters of the military government of the northern province of Vizcaya as a recruit officer.

There were many witnesses to the shooting.

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## Herr Genscher begins talks in Warsaw on aid and detente

Warsaw, March 19.—Herr Hans-Dietrich Genscher, the West German Foreign Minister, today began talks with Polish officials on financial aid and detente, meeting Mr Jozef Cyrtek, his Polish counterpart.

Herr Genscher arrived here on a two-day visit bearing the promise of West German credit of DM150m (£32.5m).

A senior Polish official told reporters that the reestablishment of detente and bettering of East-West relations would be an important issue in the discussions. He added that Mr Cyrtek and Herr Genscher would brief each other on the world view as seen in "other capitals"—clearly referring to Moscow and Washington.

He also indicated that, despite western concern over the Polish exercises taking place in Poland, East Germany, the Soviet Union and Czechoslovakia, the Poles did not believe in the likelihood of Soviet intervention in Poland.

Mr Stanislaw Kanla, the Polish party leader, who arrived in Budapest today at the invitation of Mr Janos Kadar, the Hungarian leader, was expected to return to Warsaw in time to meet Herr Genscher.

Herr Genscher's talks are expected to focus on the old German-Polish boundaries, Poland has been sharply critical of the continued appearance of Germany's pre-1939 border, encompassing part of present Poland, in some official West German documents and in some school history textbooks.

West Germany recently decided to allow the Third Reich's boundaries to appear in the text. This was criticized by the Polish Army newspaper *Zolnierz Wolnosci*, which accused "revisionist" circles of wanting to jeopardize the 1970 Polish-West German treaty.

Workers declared a strike

in Poland's north-eastern province of Suwalki, close to the Soviet border.

The Polish radio said that

leaders of the Solidarity free trade union organization in Suwalki had threatened a two-hour warning strike next Thursday and further strikes on April 1, if the Government failed to send a delegation to discuss their grievances.

Their demands included the reversion of a provincial party office for the health service, action against local officials who had lost public confidence, and an investigation into poor management and alleged violations of law and order.

Mr Jaroslaw Kozakiewicz, a Solidarity leader in Suwalki, said that he would call on other regions for support if the authorities in Warsaw did not respond to the Union's demands. There are some 250 factories in the province.

Leaders of 200 militant farmers who have been occupying a building in the northern city of Bydgoszcz called on the authorities today to draft a law by April 10 enabling the registration of Rural Solidarity.

Workers in the farming town of Inowroclaw declared a strike alert today in support of the Bydgoszcz protesters.

Leaders of Poland's 100,000 timber workers assembled in at least three centres, Wroclaw, Opole and Gorlice, in preparation for a strike campaign next week.

Lumber men in Szczecin were expected to join, and union officials said that at least 12 provinces were gearing up for strikes.

The officials said they planned a short warning strike on Monday, followed by a national closure of mills on Wednesday unless the Timber and Forestry Ministry honoured an agreement signed in December on wages and conditions.

A director of the state timber mill held preliminary talks with workers in Wroclaw, but there was no indication that the Government was ready for full-scale talks, the officials said. UPI, Agence France-Presse and Reuter.

## Solidarity has observers at union talks in Delhi

Our Correspondent

Delhi, March 19.

A three-member delegation of the Polish Solidarity independent trade union has arrived in Delhi to take part as observers in a discussion of the International Confederation of Free Trade Unions on the role of unions in development.

Mr Andrzej Gwiazda, the leader of the delegation, is attending a press conference on a question whether and when the Poles were expecting the visit of the Union to intervene, said: "We are members of the Warsaw Pact. The Russians are all there. So there is no question of intervention; they are already here."

Asked if the Poles believed

in Marxism, Mr Gwiazda said that they believed only in the Polish identity, not in Marxism. Just as Yugoslavia had found a separate identity, "we want an identity of our own."

He added that for 30 years there was no dissent in Poland. There was only one type of system prevailing; now dissent was visible. Even Solidarity had dissent in its own ranks.

Asked about press censorship, Mr Gwiazda said that censors are afraid to come to us because they know we shall beat them. He admitted that the situation in Poland was "grim" but added that with "hard work and sacrifice" the country could meet it.

## S Africans step up fight against Swapo

From Eric Marsden

Windhoek, March 19

South African forces deployed along the Angolan border have intensified their attacks on guerrillas of the South-West Africa Peoples Organisation (Swapo) and are making renewed efforts to prevent villagers in Ovamboland from siding with the insurgents.

It was disclosed here today that in the last seven days 35 guerrillas had been killed by security forces, bringing the total of Swapo deaths so far this year to 318. Major-General Charles Lloyd, commander of the South-West Africa Territory Forces, repeated his warning to Angola not to aid Swapo or allow it to operate from its soil. His troops had to protect the people of Namibia and had "no option but to act against Swapo terrorists harboured on Angolan soil."

General Lloyd's warning followed yesterday's terse communiqué disclosing that South African aircraft had bombed a large Swapo training camp near Lubango, nearly 150 miles from the Namibia border, on Tuesday. The attack apparently came as a surprise and little resistance was encountered from Swapo anti-aircraft guns.

The air raid has brought South Africa its first rebuke from the United States Administration, which expressed "most concern" at the increase in violence on both sides in Namibia. The statement emphasized also that America did not believe there could be a military solution to the dispute.

It is noted that the statement is not the kind of condemnation that was made frequently by the Carter Administration, but it will be an embarrassment for Mr Dirk Mudge, chairman of the Namibian Council of Ministers, who is in Washington with several of his cabinet colleagues seeking to capitalise on the "anti-terrorist" policy of President Reagan.

The Namibian internal leaders had been asked by American officials to delay their visit but decided they could not do so. At a press conference in Windhoek today Brigadier Jan Klopper, Chief of Staff (operations) in Namibia, said that 17 of the guerrillas killed in the past week died in two clashes with the security forces. The others fell in minor skirmishes.

In the big clash of Ovamboland in north-western Ovamboland, a South African patrol was ambushed by Swapo but returned fire and put the gang to flight. The brigadier said 11 guerrillas were killed.

Five Ovambo women and children had been killed in a landmine explosion near Mbalantu. Two other civilians had been murdered by Swapo, including a woman who was shot dead after being abducted from her home.

Though there is no indication of any involvement by Angolan forces in the latest incidents, General Lloyd's warning is aimed at deterring Angola from continuing its logistical and communications aid to the badly battered Swapo forces.



Women guerrillas: Six female rebel troops posing with their weapons in eastern Chad last week. The Sudan news agency reported yesterday. Five Libyans were also wounded and four Libyans vehicles lost, the agency added in a dispatch from the Sudanese city of Geneina which is near the border between Chad and Sudan.

The Libyans attacked the rebel Chad forces in the Bare district. The agency said that the sound of gunfire could be heard 20 miles away. Libyan troops helped the forces loyal to President Houphouët Oueddeï drive the Habré guerrillas from Ndjamena, the Chad capital, last December.

## Kenyan is accused of treason

From Charles Harrison

Nairobi, March 19

Two Kenyans, Mr Andrew Muthemba, a hardware merchant, and Mr Dickson Muiuri, who is unemployed, appeared in a Nairobi court today charged with treason and misprision of treason respectively.

Mr Muthemba is accused of plotting to overthrow President Daniel Arap Moi, and Mr Muiuri is accused of knowing of the plot and failing to take action to avert it. They were not required to plead to the charges, and were remanded in custody for a preliminary hearing next week, when a magistrate will decide whether there is a prima facie case for trial in the High Court.

The men, both members of the Kikuyu tribe but on conviction face a sentence of death by hanging.

Earlier this month, they both pleaded not guilty to charges of attempting to obtain arms from a Kenya army captain and a corporal.

They were alleged to have tried to steal hand grenades, bombs, mortars, machine-guns, rifles, plastic explosives and other items from the Kenya Army.

On that occasion, the court was told that the investigations were still proceeding and that further charges might be preferred.

Mr Sharad Rao, the deputy public prosecutor, gave no further details of the charges to date. He said the state had completed its investigations. The court was crowded.

This is the first allegation of a plot to oust President Moi since he took office in 1978 on the death of President Jomo Kenyatta. There were allegations of a plot to kill some leading Kenyans including Mr Moi when he was Vice-President, in order to prevent him from succeeding on the death of President Kenyatta.

Nobody has been charged in connection with the Kenyatta succession allegations.

Guerrillas killed in Philippines

Manila, March 19.

Twenty-five Marxist separatist guerrillas were killed in a clash with Government troops last Monday in Patu, Southern Philippines, where 119 soldiers were massacred on February 12, it was announced today.

General Fortunato Abat said troops encountered a band of about 70 rebels in a hilly part of Patu island, 570 miles South of Manila, in the course of a big search and destroy operation. No Government casualties were reported. Agence France-Presse.

## Lack of money and transport to prevent starvation Shortage and surplus in Africa

From John Earle

Rome, March 19

Africa is in a paradoxical situation. The United Nations Food and Agriculture Organization lists 28 countries in the east, west and centre of the continent as afflicted by grave food shortages, resulting from prolonged drought and an increasing number of refugees from civil strife. Yet, to the south, South Africa and Zimbabwe report record surpluses of maize.

South Africa forecasts a maize harvest of 13.4 million tons, which would leave more than seven million tons available for export, as about six million tons is consumed at home. FAO estimates that the cereal (not only maize) needs for 1980-81 of the 28 countries Africa, which range from Angola and Mozambique up to Senegal in the west and Somalia in the east, amount to 6.5 million tons.

South Africa is not a member of the United Nations family of food-exporting countries. FAO does not monitor its agricultural situation and makes no effort to help in

channeling its surpluses to those in need. In practice, FAO officials say, they know that substantial quantities of surplus food find their way to other parts of the African continent, often in normal commercial transactions.

The problem, they maintain, is not so much one of availability—there is enough grain in the world today, even if stocks are running dangerously low—but of money and, to a certain extent, primitive transport and distribution systems.

FAO is therefore encouraging what one official called a "triangular fair godmother system", under which a developed country provides the cash to buy grain available in a second country to relieve hunger in a third.

It sponsored a meeting recently of 38 potential donor countries and international organizations, at which 12 announced new or increased contributions for Africa. These included the United States, Canada, the Netherlands, Sweden, Japan and, subsequently, Italy—but not Britain.

The crisis is also being tackled with emergency action from the United Nations world food programme and, for the longer term, with technical assistance projects by FAO.

The effects of drought, lasting for two years in some countries, have been compounded by the most widespread civil strife in Africa since decolonization.

The fear at FAO is that these problems may become chronic, for there is a limit to the goodwill of fair godmothers, and Africa cannot look to a future based on emergency after emergency.

The most seriously affected countries on the FAO list are the Central African Republic, Chad, Ethiopia, Mali, Somalia, Tanzania and Uganda. The others are Angola, Cameroon, Cape Verde, Djibouti, Equatorial Guinea, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mauritania, Mozambique, Senegal, Sudan, Togo, Upper Volta, Zambia and Zimbabwe.

In view of the reported bumper maize crop, FAO officials say Zimbabwe is likely to be removed from the list.

## Mr Mugabe warns West against neutrality

From Stephen Taylor

Saltbury, March 19

Western powers could not afford to be neutral towards South Africa while it was carrying out its acts of aggression against neighbouring states, Mr Robert Mugabe, the Zimbabwe Prime Minister, said today.

Addressing a press conference at the end of a visit by President Siaka Stevens of Sierra Leone, the chairman of the Organisation of African Unity, Mr Mugabe said that the time had come for Western powers openly to condemn South Africa.

He referred to the most recent raid by South African forces into Mozambique on Tuesday, and asserted that the country had embarked on a programme of concerted aggression, "because it feels that the Western powers will support it."

He asked: "Are they (the West) our friends or our enemies—in the circumstances that we are trying to consolidate our independence?"

Mr Mugabe said that some of South Africa's weapons, including French Mirage jet aircraft, were supplied by Nato countries.

In a joint communiqué the two leaders condemned South Africa's "intransigence" in Namibia ("South-West Africa") and the "Pretoria regime's naked aggression against frontline states."

Mr Stevens arrived here on Tuesday on the last stage of a tour of 10 African countries during which he has held consultations on Namibia, the proposed Libya-Chad merger and the new United States Administration.

While he was critical of recent Western responses in the region, Mr Mugabe took a cautious line on the postures of President Reagan's administration on southern Africa generally and Angola in particular.

He said: "We do not want to judge him too hastily; he is still working out a policy for southern Africa."

President Stevens said: "Any administration, be it ever so powerful, should not forget that if a man, a nation, is drowning, he will grab at anything that comes up."

On Angola, Mr Mugabe said that its Government was legitimate with sovereign power and the right to territorial integrity. Dr Jonas Savimbi and his Unité guerrilla movement were "a group of reactionaries trying to subvert legitimate authority."

Over criticism of Zimbabwe's transition from white-ruled Rhodesia to majority rule could not be declared a complete success for British or Western diplomacy, Dr David Owen, the former Foreign Secretary, said. He told a lunch meeting of the Foreign Press Association in London that Zimbabwe's economy was in a critical state.

## 11 accused of plotting a coup in Sudan

Khartoum, March 19.—Sudan

said today that 11 people had been arrested for plotting an Army coup against the proposed Libya-Chad merger and the new United States Administration.

While he was critical of recent Western responses in the region, Mr Mugabe took a cautious line on the postures of President Reagan's administration on southern Africa generally and Angola in particular.

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Some 300 students from the Seoul National University demonstrated on campus today, denouncing the Government as "fascist", shouting slogans and handing out leaflets.

The demonstration was the first since President Chun Doo Hwan was elected by indirect vote last month and comes less than a week before a general election.

Eyewitnesses said that there were about 3,000 students on the campus when the demonstration began but the police said that only about 300 were directly involved. The demonstration lasted for about an hour before riot police broke it up, daiming 70 students.

Leaflets distributed by the students called for the overthrow of the "fascist dictatorship" Government, freedom of the press and academic freedom.

The police said the demonstration was instigated by a few leftist students who were wanted by the authorities in connection with an anti-government demonstration last November. The terms used in the leaflets and slogans were said to be "typically communist."

Today's demonstration was described by the police as anachronistic but, as South Korean student disturbances usually start in the spring at the beginning of the academic year, many people may be wondering if this foreshadows a new outbreak of student unrest.

## Big drive against guerrillas in Colombia

Bogotá, March 19.—The

Colombian Army is using 10,000 men in an anti-guerrilla operation in which has been marked by fighting along the Ecuadorian border in the south.

At least 16 guerrillas from an extremist M-19 Movement have been killed, and another taken prisoner, in battles in the south in the General Mariano Ospina Rodríguez, commanding the operation, said.

The prisoners included two 19 leaders, Señor Carlos Pabon, whose capture had been reported unofficially by the Colombian radio. Señor Pabon was alleged to have directed the two-month occupation of the Dominican Embassy here last year—ence France Presse.

hile bomb blasts

Santiago, March 19.—A

tema and a shop were destroyed by bombs here. Five men exploded and three were disabled in two car cinemas and a supermarket.

iplets after twins

Colombo, March 19.—The 30-

year-old mother of eight children, including two sets of twins, has now given birth to two.

Mr Fraser opposes state's plan for Aborigines

im Douglas Alton

bourne, March 19

A serious confrontation is to be looming between federal Australian Government and the Queensland Government, led by the ultra-conservative Mr Johannes Bjelke-Petersen.

Mr Bjelke-Petersen is determined to turn Queensland's original reserves into "self-governing Aboriginal communities"—words that are being interpreted as another sign by the Queensland Government to relieve itself of responsibility for its Aboriginal minority.

Mr Malcolm Fraser, the Prime Minister, who is developing an impressive anti-racist image, is strongly opposed to Mr Bjelke-Petersen's plan, although officially he does have authority over the Queensland Premier on this issue. Mr Fraser has said he hopes the Premier will not do any-

## Turkish leftist 'beaten by police in Ankara jail'

Ankara, March 19.—Mr Mustafa Kemal Camkiran, a Turkish

left-wing opposition leader, was, according to his lawyers, beaten by the police on admission to jail in Ankara on Tuesday.

Mr Camkiran, a member of the central committee of the Peasants' Party, had returned from exile in West Germany the day before, and was at once detained at Mamak military prison.

He had sought political asylum in West Germany last July, before the officers' coup in Turkey, and was among 275 opposition exiles who military regime summoned to return on pain of losing their nationality.

Mr Camkiran's lawyers, Mr Ugur User and Mr Nusret Senem, said they noticed that his body and hands were covered with bruises when they visited him the day after his detention.

They sent a telegram to Mr Bulent Uenal, the Prime Minister, and the military prosecutor, demanding that he should be examined by a doctor, and that legal proceedings should be taken against the sergeant allegedly responsible for assaulting him.

Before leaving West Germany on Monday, Mr Camkiran indicated that he was giving himself up to the Turkish authorities as a gesture of recognition for their "positive efforts" to restore democracy.

thing that stirs up trouble for the Commonwealth Games, due to be held in Brisbane next year. Aboriginal activists have urged a boycott because of the treatment of Queensland blacks.

During talks on Monday, Mr Fraser asked Mr Bjelke-Petersen to keep Canberra fully informed of his plans.

The President of the Supreme Council for Sport in Africa, Mr Abraham Oria, arrived in Australia this week for talks on the Commonwealth Games. He will meet federal Government officials and visit Brisbane where he will inspect the games' sites and talk to state officials.

For his part, Mr Bjelke-Petersen believes his plan to repeat the controversial legislation will reduce the chances of black nations boycotting the Games. He said this week that the state Government would repeal its two acts covering Aborigines

## Guerrillas killed in Philippines

Manila, March 19.

Twenty-five Marxist separatist guerrillas were killed in a clash with Government troops last Monday in Patu, Southern Philippines, where 119 soldiers were massacred on February 12, it was announced today.

General Fortunato Abat said troops encountered a band of about 70 rebels in a hilly part of Patu island, 570 miles South of Manila, in the course of a big search and destroy operation. No Government casualties were reported. Agence France-Presse.

The police set up roadblocks and searched cars for weapons. They also searched a car and another who fled on foot.

The sources said the shooting broke out when detectives stopped four men who went to the house of a businessman allegedly to collect a ransom taken against the sergeant allegedly responsible for assaulting him.

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and islanders by the end of this year. But he did not expect the state to set up a system of self-governing Aboriginal communities in place of the reserves, which will be abolished.

"We don't want them set aside in some country that becomes black man's country—we want them to live exactly like you do," Mr Bjelke-Petersen told a press conference.

We'll make them Queenslanders just like you and I—we won't pass any new law."

He said the state Government would repeal the legislation because the laws had been widely criticized as paternalistic and antiquated. The federal Government is anxious that provision should be made for the communities to run their own affairs.

Although Mr Bjelke-Petersen indicated that he did not favour replacing aboriginal and islander legislation with new legisla-

## Argentina's Nobel winner fears end to liberalization

From Andrew McLeod

Buenos Aires, March 19

Senator Adolfo Pérez Esquivel, the Argentine Nobel Peace Prize winner, has complained of a "strong escalation of repression" in Argentina, pointing to a recent wave of arrests and kidnappings as a sign that a gradual move towards liberalization may be coming to a halt.

Senator Pérez Esquivel referred in a statement on Monday to the arrest and questioning of 67 of the "mothers of Plaza de Mayo"—the relatives of people who have disappeared without trace—and a Franciscan, and the alleged kidnapping and torture of two men by plainclothes police.

All have been released since, but one of the kidnapped men, Señor Jorge Magrino, is reported to have been taken to hospital because of his condition after release. Both Señor

Magrino and the other man, Señor Héctor Pinón, are reported to have been tortured with an electric prod.

At the press conference Señor Pérez Esquivel also said that he had written a letter to President Ronald Reagan asking him to refrain from military intervention in El Salvador.

Senator Pérez Esquivel was asked by a foreign journalist whether the recent arrests and kidnappings, which happened just before President-designate Roberto Viola left for the United States on an official visit, were premeditated. He replied: "Viola himself will have to answer that question."

Most observers believe that disaffected factions of the armed forces are responsible for the latest repression, which is designed to embarrass the President-designate.

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Today's demonstration was described by the police as anachronistic but, as South Korean student disturbances usually start in the spring at the beginning of the academic year, many people may be wondering if this foreshadows a new outbreak of student unrest.

## Legal battle halts sale of Paris art hoard

From Ian Murray

Paris, March 19

A magnificent collection of engravings and paintings by many of the best artists of the early part of this century including Picasso is being shown at the Paris salerooms of Drouot for the first and possibly the last time. A court has halted the sale while legal proceedings take place to determine who owns it.

The collection, which has been locked in a bank vault for 40 years, was assembled just before the Second World War by Erich Chlomovitch, a Yugoslav who arrived in France in 1936.

He became a close friend and collaborator of Ambroise Vollard, one of the leading art dealers in Paris at the time, who entrusted him with pictures acquired from famous artists he had known.

Mr Chlomovitch added to the collection, having been betrayed by artists like Jean Cocteau, who dedicated one drawing to him.

Two months before the outbreak of the Second World War Mr Vollard was killed in a car crash near Paris and when the war began Mr Chlomovitch hired safe in the vaults of the Société Générale and entrusted the paintings to















### Table tennis

SWITZERLAND					
Depth, Slits	Weather				
1 cm	10 M	10 M	10 M	10 M	10 M
100-120	Pwdr -10				
120-140	Pwdr -10				
140-160	Pwdr -10				
160-180	Pwdr -10				
180-200	Pwdr -10				
200-220	Pwdr -10				
220-240	Pwdr -10				
240-260	Pwdr -10				
260-280	Pwdr -10				
280-300	Pwdr -10				
300-320	Pwdr -10				
320-340	Pwdr -10				
340-360	Pwdr -10				
360-380	Pwdr -10				
380-400	Pwdr -10				
400-420	Pwdr -10				
420-440	Pwdr -10				
440-460	Pwdr -10				
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840-860	Pwdr -10				
860-880	Pwdr -10				
880-900	Pwdr -10				
900-920	Pwdr -10				
920-940	Pwdr -10				
940-960	Pwdr -10				
960-980	Pwdr -10				
980-1000	Pwdr -10				







THE ARTS

# Persuasively truthful film of life in the old West

Heartland (A)  
Paris Pullman

A Jury of Her Peers (A)  
Paris Pullman

A Respectable Life (X)  
Moulin

The Blood of Hussain (AA)  
Gate Two

Inside Moves (AA)  
Odeon, St Martin's Lane

Phobia (X)  
Rank release

It is a more encouraging week than usual in the cinema, with four new films to prove that there is infinitely more pleasure and vitality in films that are made with talent and a passion to communicate something than in the run-of-the-mill, off-the-shelf commercial picture, entered into with all the spirit of setting up a finance corporation.

**Heartland** is an American film, financed with the equivalent of some £250,000 by the National Endowment for the Humanities, and directed by a former documentary filmmaker, Richard Pearce. It is the story of a Denver widow who travels with her small daughter into rural Wyoming at the turn of the century to be housekeeper to a dour and careful Scottish rancher. She plans to farm on her own, but instead marries the rancher. A richer sort of affection grows only slowly in this unfavourable climate, as the two share privation and bereavement as well as the meagre compensations of the land.

The story is factual, based on the real-life reminiscences and letters of Elinor Pruitt Stewart. In their record of a year from summer to summer Richard Pearce and his writer John Ferris give a persuasively truthful picture of life in the old West, a rough, undramatic tale with the land and the elements.

The people seem as real as



Conchita Ferrell and Rip Torn in *Heartland*

the place—though Rip Torn, as Mr Stewart, has something of a battle with both his beard and his Scottish accent. A new actress, Conchita Ferrell, enforces belief in Elinor as the combination of grit and humour that alone could have topped with the demands of new lands. A distinguished old Viennese actress, Lilla Skala, and a perky little child actress, called Megan Folsom, are equally real as, respectively, her immigrant veteran neighbour and her daughter.

Good as it is, *Heartland* is almost eclipsed by the short film showing with it, Sally Heckel's *A Jury of Her Peers*, which I praised from the London Film Festival in November as a paragon of the filmed short story. It has subsequently been nominated for a Hollywood Academy Award.

Here, too, the setting is a turn-of-the-century rural community. A farmer's wife has killed her husband as he slept in their bed; and the local community leaders come to look for some motive for this inexplicable deed. Their wives, whose words, impassive faces reveal that they have shared the same kind of unsparring, submissive existence as the

guilty woman, prove to read the signs better than their menfolk.

The unknown players (chosen apparently from local theatre groups) are faultlessly cast. Rapidly sketched characters and gestures illuminate a whole way of life, and depths of unconscious oppression, patiently borne. If she can progress from this brilliant and compelling little masterpiece—far more satisfying than most current feature pictures—Sally Heckel promises to be a great film artist.

Twelve years ago Stefan Jarl, in collaboration with a fellow graduate from the Swedish film school, Jan Lindqvist, made a documentary about teenagers knocking around the streets of Stockholm. *They Call Us Misfits*. A decade later Jarl went back to see what had become of some of the lively, aimless but not unlikable youngsters who had then been on the perilous verge of delinquency. He found the survivors, almost to a man, defeated, sick, middle-aged before their time, hooked on drugs or drink, without a trace remaining of the old vitality and defiance of their teens.

Of the two characters who in 1969 had most caught the film-makers' interest one, Kentia, showed a degree of resilience, some survival of a rural sturdiness which moved him to muddled efforts at family connections. The other, Stoffe, died of an overdose during the filming. Jarl unsparingly filmed the facts. Stoffe was in no way exceptional. During the time of filming, 11 young men died in the same lavatory on the railway station which is the centre of the world of Stockholm's lost.

Jarl's document is appropriately rough, and meagre in hope. The image he finds apt to preface this picture of the underside of contemporary Sweden is Breughel's *Great Plague*. Maybe it has something to do with the curious communal nature of their creation that films have a way, from time to time, of exactly anticipating historical actuality. Jamil Dehlavi's *The Blood of Hussain* was conceived as an abstract essay on tyranny, predicting a purely fictional story of a military dictatorship and the eventual movement of revolution against it. A month after shooting was completed, the

military coup in Pakistan seemed so exactly to reproduce Dehlavi's story that he and his film fell under grave suspicion; and it was only two or three years later, thanks to the removal of the material from Pakistan to London, that the film was completed. (It was first shown in the Cannes Directors' Fortnight in May and has since had a distinguished festival record.)

Finely shot by the British cinematographer, Walter Lassally, the singular texture of the film comes from Dehlavi's method of interweaving the main story with legendary elements from the life and martyrdom of Imam Hussain, grandson of Mohammed, who was killed by the usurper Caliph Yezid 1300 years ago. The contemporary story concerns two brothers both played by an outstanding actor, Salmaan Peerzada. Selim is an opportunist, ready to support the military government and to use the sexual appeal of his English wife to further his political ends. Hussain, touched as a child by something mythical, resists, in defiance of the tyrannical peasantry.

The mythical elements are represented through documen-

tary footage of Shi'ite Muslim ceremonies, and a mesmeric, recurrent image of a white stallion rearing up out of the desert. Dehlavi's film also acquires in the film has a remarkable eye for the telling image. All the possibilities of violent oppression are summed up in one terrible moment when a newborn child is exploded into bloody matters by a single rifle shot.

After such shoveller exercises as *The Omen* and *Superman*, Richard Donner, in *Inside Moves*, cries his muscle on a small, intimate human subject, which turns out to be a good deal more demanding.

The theme is altogether creditable—the possibilities for the handicapped of leading normal and rewarding lives—but the script by Valerie Curtin and Barry Lewinson is inadequate to it. The publicity for the film gives a very fair indication of the naive and transparent optimism of the film's approach: "the heartwarming story of a group of people brought together by hardship, humour, love, and a dream of winning... (a) happy, sunny, wonderful group".

The central figure (John Savage) is a young man whose attempted suicide by defenceless leaves him physically crippled but emotionally unimpaired that he becomes the focus of the group of handicapped people who gather around Max's bar. He is able, even to get the money for his best friend to have the operation to cure the bad leg which is the only barrier to a dream of becoming a baseball player.

As director, Richard Donner has not skill or subtlety enough in dealing with the characters to cover up such artless contrivance. A historical curiosity in the film is the appearance of Harold Russell, a veteran who lost both hands in the Second World War, in his first film since his double-Oscar-winning performance in *The Best Years of Our Lives* in 1946.

There is nothing at all in *Phobia* to indicate that it is the work of John Huston, at his best one of the great Hollywood directors. This is a tired and predictable scenario, dutifully and dully filmed, no better or worse than any others of the run of commercial mystery and horror films currently being exported from Canada, where this one was made.

David Robinson

## In Search of... Athelstan BBC 2

### Miles Kington

Hands up all those who have heard of Athelstan. Hands up all those who knew that Athelstan (924-938) was one of the great English kings, if not the first king of all England. Nobody? Yes, Wood Good, Mike Wood not only knows, he has made a special study of the ineptly named Dark Ages and is dying to tell us all about it. So eager is he that even when telling us stark historical fact, he finds it hard to keep a keen smile off his face. He has the same boyish enthusiasm as David Attenborough, though when Attenborough rushes to far-off climes in search of little-known things, Wood chases to far-off times in search of little-known kings. The trouble is that time does a much better demolition job than distance. So style has to be the answer. And these programmes are proving to rely on two very different styles, alternating disconcertingly quickly. One takes the informed shape of Mike Wood himself striding briskly up church paths, turning the

pages of Athelstan's books, even descending from a helicopter, showing off his discoveries as proudly as any collector taking you through his treasures. The other—infinitely more grandiose and usually announced by thumping music, crashing waves or wonderful weather effects—comes from the *Star Wars* school of archaeology; in the opening minutes the commentary zapped us with Blitzkriegs, and armies being hammered, and spearheads, and military machines, and blow me down if there was not a disembodied Saxon sword floating through the air like a galactic missile.

It is all great fun at the time, but curiously the episode that sticks in my memory has nothing to do with Athelstan's military or cultural prowess: it is simply the sight of Wood crashing through the undergrowth following the lines of the estate granted to Athelstan. Athelstan's *Anglo-Saxon*, Saxon charter clutched in his hand like a pre-Doomsday AA Guide. Battles may come and go, remote rituals be resurrected, but it is the one chap talking in to us that makes the difference. Could have done with even more Mike Wood and rather less ghost campaigning, which left us feeling that England would never again have it for the Vikings, a feeling which is due to be dashed in next week's programme on Ethelred the Unready. Crash! Bang! A Norse battle-axe floats across the sky! Does anyone know what this portends? Yes, Wood?

## ECO/Zukerman Festival Hall/Radio 3

### Hilary Finch

If in these days of sneering at so-called box-office programming there has to be an excuse for putting on an evening of three of Mendelssohn's most popular works, then the Royal Philharmonic Society had one ready made.

It was at one of the society's early concerts in May, 1833, that the first performance took place of the *Sinfonia* composed expressly for the Society by F. Mendelssohn Bartholdy. Now, in its 169th season, the society presented this fourth symphony (the Italian) on Wednesday as part of a series which celebrates the world premieres with which they have been associated.

It was the greater pity that Pinchas Zukerman and the English Chamber Orchestra seemed so eager to be through with the work. It had, it is true, "a fine flow of animal spirits" which the first night critic praised; and the brisk tempo of its third movement settles on its contours was lifted.

But the first movement's irresistible springing rest was blunted to a rough, albeit unflagging energy, the violins never quite sharply enough in the heart of their notes. And

it was meant to omit the exposition's repeat. This work cannot live by rhythm alone: that element, very much to the fore on Wednesday (as aspiring conductors all around me were demonstrating), was of course movement along with admirably decisive tread, but the lack of selection within the orchestral texture gave little opportunity to relish details on the way.

Mr Zukerman's hedonistic approach worked better in the *Middlemarch* Night's music. If there was a little evidence of pale Heccate's team in the Overture and more of the drum major's than the court of Athens in the March, the performance had a refreshingly bracing quality.

Before Mendelssohn wrote his *Minor Violin Concerto* seemed telescoped on Wednesday in Zukerman's strongly projected but in the end lightweight performance. Despite the ECO's attentive and responsive playing, his conducting from the podium seemed to distract, particularly in the slow movement, from playing with that degree of deep assimilation which alone can move or give fresh insight.

Not that his dual role alone should explain away the apparent lack of will to scratch out more than the superficial expressiveness and structural enterprise of this work. We need to be shown that we take such well-known and well-loved music for granted at our peril.

## John Ogdon Wigmore Hall

### Joan Chissell

It is not always that the Wigmore Hall is as full, or its audience as warm-hearted, as on Wednesday when John Ogdon returned to give a piano recital in aid of the Leonard Cheshire Foundation. Although mainly compounded of shorter pieces, the programme in toto was long and taxing, and he played it with unflinching ebullience.

Schubert's well-known Impromptu, op 90, came first, all four of them done with an insistent enough drive and boldness of tone to suggest a Beethoven looking over Schubert's shoulder. The first in C minor was particularly firm and strong. If in the second and fourth of the set Mr Ogdon grew a little excitable too soon, instead of holding more in reserve for his stormier modes in minor keys, the rippling right hand figuration of the main sections was unfailingly fluent. Grieg's four *Album Leaves*, op 28, found him more

relaxed. Here his playing had a winning lyrical charm while catching all the music's caprice. Scriabin's dreams and visions have always been close to his heart, and in the *Eight Studies*, op 42, chosen to end the first half he caught the essential phantasmagoric quality of the inspiration even if texture was sometimes confused by inattentive pedalling. The best of the set was the simple, lyrical No 4 in F sharp major, beautifully shaped and sung.

Always an explorer, he returned after the interval to introduce London to "Captain Facktenburger of the Space Patrol" by the American, Stephen Suber (born 1950), an oddity (including a whistle and percussive tapping) doing justice neither to the world of strip-cartoon nor Bach's 48 allegedly inspiring it. For Mr Ogdon it was not the best preparation for a group of Chopin's Mazurkas either, which emerged over-capricious in rhythm and forced in tone, with all too little contrast between loud and soft. But Liszt's *Don Juan* Reminiscences allowed us to enjoy more of the composer's panache in its irresistible tunes and sumptuous chordal challenges.

Not only by the chances of life and politics but also by his party. He felt himself to be and was—capable of more service at an age when nobody would give him an insurance policy for purely actuarial reasons, and the bitterness sometimes showed.

Yet his has been a remarkable career: the poor Spiritualist fields of mixed Dutch and Polish emigre origin, with scant schooling and a feckless father, who had little except courage, pugnacity, and an unsecured sense of justice to make his way in life. He could have used his native gifts to pile up a personal fortune, or to become a destructive left-wing agitator. He chose instead, as his admirer Winston Churchill did not fail to note, to become a constitutionalist and a patriot, who still has words of wisdom for the Labour Party of only the new generation were as willing to learn as they are to teach.

David Wood

## My Brother, My Sisters Covent Garden

### John Percival

Kenneth MacMillan told me that his ballet *My Brother, My Sisters* is based on a real family, but the way they drive each other mad is so far outside most people's experience that it is an look melodramatic unless he performers carry absolute conviction. In that respect the Royal Ballet's production has ever fully matched the Stravinsky original, but it moved closer on Wednesday with Stephen Jefferies playing the rother.

His dancing of the hectic role has a ferocity that proves no less exciting than Wayne Eagling's dare-devil scrobatics, and his acting is in a class of its own. He not only reveals the character of his own role, but turns up the rest of the cast. You can see insanity reading like an infection among the sisters whose closed community he dominates. Marguerite Porter, new as the first sister, lets the character sometimes come perilously close to that of tragic-comic Julia in

*A Wedding Bouquet*, but never quite oversteps the mark, and she gets the essential point of letting evil show through silliness. Unfortunately the drama disappears through Wendy Ellis's presentation of the second sister as a dowdy nonentity, missing the seriousness her predecessors in the part found as an exception to the family's incestuous frivolity.

Genesis Rosato, one of the excellent trio of young sisters, was also among another batch of newcomers in *Daphnis and Chloe*. Her Lykanion is, I think, the nearest I have seen to Violletta Elvin's prototype, sexy but choosy, with a devastating hint of amusement at her success. Graham Fletcher-Bryant is sharply and vigorously danced. Jennifer Penney will get by as Chloe if she finds herself a less going wig, but for the ballet to do more than get by it needs dancers about ten years younger in the title parts.

Faced, luckily, is indestructible, although it creaked a bit at Ellis's stiff and genteel polka. Rosalyn Whitten's milkmaid, however, is a joy, from her predatory entry and lascivious straddling of her milking stool to her rueful exit when the three mountaineers fail to come up to expectation.

## Entertaining Mr Sloane Lyric, Hammersmith

### Ned Chaillet

What Dave King has written about himself in the programme for *Entertaining Mr Sloane* suggests he is dismissive of his talent. Harking back to his days as a comedian, he offers a brief, corny comic turn in place of the usual showbusiness biography. It may please him to be dismissive, but Mr King has become an acting talent to be reckoned with and valued. When he appears on stage, the focus shifts to him just as though he had dined the floor. Without cracking a smile, he suddenly has the air ringing with laughter. For all I know, he may not think of what he does as acting. Faced with Joe Orton's dialogue, he may simply be striding through the jokes like a night-club comedian. But he is masterful in his creation of a character.

He has created memorable characters before, in *American Buffalo* on stage and recently in the film *The Long Good Friday*. What he does, he does with restraint and a comprehension that communicates itself directly. As the business-minded brother of young Mr Sloane's landlady, he is totally in command of the play. Barbara Windsor is sly, sassy and laughably seductive as she offers Mr Sloane something more than lodging and Glynn Grinstead has a sullen but faced appeal that turns Mr Sloane into a dangerous sexual commodity, but Mr King has more of comedy and more of danger in his very stillness.

## Crispino e la comare Collegiate

### William Mann

There cannot be many original operas credited to two composers at once, but such is the case with four works in which the brothers Luigi and Federico Ricci collaborated. The last of them is *Crispino e la comare*, composed for Venice in 1850 to a libretto by Piave, who described it as a fantastic and jocose melodrama.

*Crispino e la comare* was popular on both sides of the Atlantic. Bernard Shaw caught a revival in London towards the end of the century, and dismissed it as "miserable stuff"; it must have been greatly abbreviated, since it shared a double bill with the first London production of Mascagni's *Cavalleria rusticana*.

Two years ago it was given at Wexford Festival with Sesto Bruscantini and proved a delightful surprise. Now, in a racy English translation by Rodney Blumer, Phoenix Opera have brought it to Camden Festival, where again the boisterous, lilting score and the curious, rather sardonic comedy provide an evening of genial fascination.

Crispino, a penniless cobbler in Venice, is prevented from drowning himself by a fairy godmother who gives him money and orders him to set up in practice as a doctor to



Barbara Windsor, Dave King

Photograph by Donald Cooper

That bolsters the reality of Orton's first play, the only one of his plays which can stand much reality. With an always present tension in Mr King's role, the fact that the young man is a recognizable murderer is somehow less jarring. Mr Sloane may believe he has control of the household, sexually

servicing the sister, wearing a leather uniform for the more restrained brother and regularly beating the elderly father (a well-judged portrayal by David Blake Kelly), but it is obviously a delusion indulged.

Some tension is sacrificed in the final act by the reasonableness of Mr King's behaviour, his cynicism as a businessman

being so evident. Yet Kenneth Williams has seized on the acting to make the play more incisive. His production has the horrible distinction of making such first seem ordinary. Nothing seems bizarre, except the perfect exaggeration of bad taste in Saul Radomsky's design. The production is splendid in its nasty normality.

## Book review

### Lead with the Left

My First Ninety Six Years

By Manny Shinwell

(Cassell, £6.95)

Old men forget, said Shakespeare, but of course they do not. They (perhaps we?) remember fondly, often mellowly, maybe selectively, and, at best, match the pleasure of an audience in the sound of their own voices. Lord Shinwell, if the absurdity of arithmetic makes him out to be 96 and therefore past his prime, establishes the point in another volume of personal and political memories. On this occasion, as a concession to age, he dictated his story, and the slightly lax discipline gives his book the effect of sustained conversation, with each chapter marking a pause to refill his pipe.

Readers will quickly note an oddity or quirk. On this evidence no politician could be more charming, understanding, open-minded, or sweetly reason-

able than Manny Shinwell, yet he repeatedly drops hints that he was sometimes less than loved by his colleagues in Labour politics and at times suffered undeserved unpopularity or some calculated injury. The fact is that Manny Shinwell, the boy boxer of Glasgow, the Clydeside militant, the trade union organizer who did time in prison, always gave as good as he got, and until age mellowed him he would fight his corner and intrigue against all comers. He was and (praise be) continues to be a Cockney survivor, with a superadded Glasgow accent.

He carries with him as he walks, like his colleague in the Lords Fenner Brockway, the history of the Labour movement he joined 77 years ago. He was the Clydeside MP who in 1922 proposed that Ramsay MacDonald should replace Clynes as Labour leader and thereby made MacDonald Prime Minister in 1924; he was the party loyalist who in the 1935

general election knocked MacDonald out in Seaham (later Easington).

In 1924, within two years of his election to the Commons, Shinwell became a junior Minister for Mines under MacDonald, and in 1929 Financial Secretary, War Office. In the Attlee Administrations, 1945-51, he served as Minister of Fuel and Power, Secretary of State for War, and Minister of Defence. His career then sank into a rather embittered decline, with the loss of his seats on the Opposition front bench and on the Labour national executive committee. Before he went to the House of Lords in 1970 to find a new lease of happy political life, he had to console him only three rather desolate years as the chairman of the Parliamentary Labour Party, of which he was the undisputed elder statesman.

There was a time, I am sure, when Manny Shinwell looked down the arches of the years and thought himself hard done

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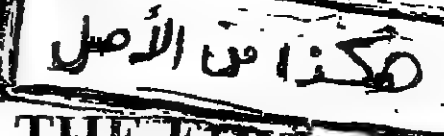
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## LETTERS TO THE EDITOR

## TO THE RESCUE OF COMPUTERS

Yesterday's announcement of a government sponsored rescue package for ICL serves as a further reminder that in the prolonged and severe recession it is difficult to pursue a coherent industrial policy of non-intervention. There were some in the Government when it came to office who held the excessively simple belief that public sector industry was by its nature inefficient and private sector industry by the same token efficient. Thus problems of industrial policy could be solved by returning as much of publicly owned industry to private hands as soon as possible.

Whatever the general merit of the proposition, the case of ICL has shown that in these difficult times it does not ensure that all such problems resolve themselves. For the Government instructed the National Enterprise Board to sell the public's 25 per cent holding in ICL to the private sector in 1979. The problem of ICL, however, was back in the Treasury court less than a year and a half later.

With the Prime Minister in her present mood, there is little likelihood of the Government changing its essentially hostile attitude towards the NEB. Yet, as the hard realities of industrial policy continue to press in upon Sir Keith Joseph at the Department of Industry, the case for a

positive role for the NEB becomes progressively more persuasive. In many ways it is a case of history repeating itself. The Heath government peremptorily abolished the previous Labour government's Industrial Reorganisation Corporation, because it was a symbol of the kind of direct industrial intervention by Whitehall that was no longer in fashion. From the rescue of the insolvent Rolls-Royce onwards, it became clear that whatever their policy preference modern government in a mixed economy cannot avoid being drawn into industrial involvement of some kind. When they do, an institution with specialised expertise in acting as the state's holding company has many uses.

Mrs Thatcher and Sir Keith Joseph were not so extreme in dealing with the similar National Enterprise Board, which they inherited from the next Labour government. It was not abolished, but it was deliberately and effectively emasculated. Like the old IRC, the new NEB made several mistakes in its early days and aroused hostility. It seems probable, however, that, in its limited function as the Government's agent in monitoring the performance of companies which for one reason or another enjoyed the taxpayers' support, it is potentially more effective than the civil

servants in the Department of Industry and the Treasury. Mrs Thatcher's government is clearly never going to use the NEB as an instrument of active industrial policy in, say, the manner of a Labour government. Its more passive function is, however, one which will have to be carried out under all governments for the foreseeable future.

Indeed, it is possible to argue that part of the Government's present difficulty has arisen because the deterioration in ICL's position has taken it by surprise. Since the NEB shareholding was sold there has been no direct early warning system to indicate that the company would be coming back to the Government for help on this scale. Further, government help has now to be in this politically embarrassing form rather than in the form of continuing NEB support.

Now that the Government and the taxpayer are, once again, directly exposed to the trading performance of ICL, it is clear that closer account will have to be given to it or it will be given to Whitehall of how the management of the company in future discharges its stewardship. This will have to be done directly via civil servants once again. History does not give cause for much confidence that the Civil Service is well staffed or trained to perform this function.

## Way ahead for Ulster

From Mr Philip Toule  
Sir, We know hardly anything about the Soviet decision-making process, particularly as it affects the development of new weapons and the retention of old ones. Consequently it is very difficult for the West to influence these processes by unilateral disarmament gestures and we can rarely be sure that we have done so.

Mr Brezhnev responded to Mr Carter's decision to cancel or defer the production of neutron weapons by announcing that the Soviet Union would not produce such weapons. But, apart from the Soviet leader's word, we have no idea whether the Soviet Union was ever thinking of producing such weapons or whether indeed it has them in its stocks today.

The United States ceased production of chemical weapons many years ago. More western defence forces believe that the Soviet Union has a large and growing stock of chemical weapons, but there are those in the West who dispute this and argue that the Russians have also stopped producing these weapons. Such arguments seem likely to continue almost indefinitely and may increase fears and tensions rather than the reverse.

Mr E. P. Thompson called (Letter, March 6) for a "rolling campaign of reciprocal initiatives", but his obsession with secrecy prevents the Soviet Union from taking such initiatives with weapons which are under development. Such secrecy would also prevent the West believing what the Soviet Union said about weapons under development or in stocks unless it could verify Soviet statements by satellite reconnaissance.

If secrecy hampers Soviet initiatives, it also hampers the West. It is difficult for the West to take disarmament initiatives in the many areas where the Soviet Union is making the running. E. P. Thompson argued that if the West rejected Pershing 11 and cruise missiles and the Soviet Union rejected SS 20, the western unilateralist movement would at once lose popular support. In view of the fact that the Russians began deployment of SS 20 in 1977, whilst western missiles will still not be deployed for some years, it is difficult to see the logic of the argument and impossible to believe that the current unilateralist campaign will be influenced by the Soviet failure to respond.

In fact Soviet reactions to western decisions on medium-range ballistic missiles suggest that they are prepared to consider reductions only when the West clearly intends to build up its own forces. United States intermediate-range missiles were removed from Europe in the 1960s, but the Soviet Union has retained its equivalent missiles to this day.

The Soviet Union rejected with ill-humoured mockery a Western proposal at the United Nations special session on disarmament that states should publish detailed information about their armed forces. Nor is this very surprising but, until the Soviet Government becomes more forthcoming and moderates the pace of its drive for armaments, it is difficult to see how confidence in its intentions can increase, let alone because of these problems that Western govern-

## Soviet stance on disarmament

ments have struggled for many years for multilateral arms control agreements. That the process is a slow one no one would deny: that unilateralism offers an alternative seems most unlikely.

Yours faithfully,  
PHILIP TOWLE, lecturer in defence studies,  
Faculty of History,  
West Road, Cambridge.

From Mr Tony Kerpel  
Sir, The considered letter by Mr E. P. Thompson (March 6) sets out the new hybrid approach of "multilateral unilateralism" advocated by European Nuclear Disarmament. This attempts to reconcile multilateral disarmament, which enjoys considerable public support, with unilateralism, which is regarded with considerable public scepticism.

The obstacle which this new approach does not overcome, however, remains the same as that on which previous initiatives have foundered, namely that the preconditions for the genuine dialogue between "popular opinion" in East and West called for by E. P. Thompson do not exist in Eastern Europe.

As Roy Medvedev explained to Mr Thompson in their exchange last year, "There are no means in the USSR by which a 'general popular initiative' can be mobilized; we have no independent, free press, and no public movements independent of the control of the party and the government. Neither the general public nor intellectuals can organize any kind of mass movement which expresses opposition to official policies. There are no public debates about new weapon systems, military budgets, new designs, their rationality, and so on. I consider it to be unrealistic, at the present time, to expect that official Soviet policy will be changed as a result of open public debate and of pressure from below."

The conclusion is that an East-West mobilization of public opinion would be, by definition, asymmetrical: it is reinforced when one reads authoritative pronouncements which leave no doubt as to the Soviet perspective on this question.

A recent article by Professor Major-General A. S. Mikhov of the Lenin Military Academy described nuclear weapons as "a fearful weapon of war" in the hands of "imperialism" but "a protective shield of peace" in the hands of the socialist states. The article rejected both pacifism and unilateral disarmament for this reason and stated: "The Soviet Union cannot undertake the unilateral destruction of its nuclear weapons and indeed has no right to do so, as it is responsible to the peoples of the whole world for peace and progress. Marxist-Leninist doctrine rejects the assertions of certain bourgeois theoreticians who consider nuclear missile war unjust from any point of view."

Many people, as sincere in their desire for peace as Mr Thompson, will regretfully conclude that while those views hold sway in the East the prospects for successful non-unilateral initiatives are minimal.

Yours faithfully,  
TONY KERPEL,  
Members' Room, The Town Hall,  
London Borough of Camden,  
Euston Road, NW1,  
March 14.

## Providing minority language TV

From Professor N. R. Gurnham  
Sir, The position being adopted by the Independent Television Companies Association towards the Welsh language fourth television channel (report, March 17) raises disturbing implications.

It is less than three months since the companies were granted the franchise for which they had applied under known conditions that included the arrangements for financing the Welsh language service. One hopes that the Independent Broadcasting Authority will remind the companies forcefully and publicly of this fact with the rider that they can, if they are dissatisfied, give up their franchises on the basis of arrangements that can be made. I suspect it will be found that they need broadcasting more than broadcasting needs them.

The companies further argue that subsidising such a minority service from revenues earned elsewhere is "wholly removed from the normal responsibilities of the public broadcasters". It cannot be too forcefully asserted that the exact opposite is the case.

The very principle of public service broadcasting, which is as fundamental to the Broadcasting Act governing independent television as it is to the BBC charter and which has enabled British broadcasting policy from the beginning is that so-called minorities are indeed cross-subsidised in terms both of transmission and production expenditure. If such standards of social service proper to public service broadcasting are, in the words of the ITC, "removed from those of the normal of British broadcasting" this is a judgment upon the broadcasters and not the standards.

The ITC's position confirms what many of us have long suspected, that they are unhappy in the role of public service broadcasters. Perhaps it would be a kindness therefore to allow them to quietly slip away so that they can devote themselves to those things for which they appear more fitted, such as running motorway cafes and safari parks. Others more suitable and committed could then set on with providing British viewers with the public service to which they are entitled.

Yours faithfully,  
NICHOLAS GURNHAM,  
Head of Media Studies,  
School of Communication,  
The Polytechnic of Central London,  
18-22 Riding House Street, W1,  
March 18.

## SIR PETER AND MR HENDERSON

The assertion by Mr Geoffrey Dickens, MP, that the Hayman affair is the biggest cover-up of the century, eclipsing Watergate, presumably, is the only hint of comic relief in a sorry tale. Mr Dickens is, of course, under attack for more than exaggeration. The Attorney General and Mr David Steel criticize him for bringing Sir Peter Hayman into public disrepute and for doing so by means of two Commons questions. They regard this method of disclosure as an abuse of parliamentary privilege. Their response is understandable. The spectacle of a distinguished diplomat disgraced in what should have been the happy event of a well earned retirement from public service, invites a natural sympathy. His family certainly deserves it.

The Attorney General yesterday justified his earlier appeal to Mr Dickens to spare Sir Peter and his family public humiliation by explaining that Sir Peter was only one of seven men and two women who were spared prosecution following a report to the Director of Public Prosecu-

tions in 1978 that they had been engaged in correspondence of an obscene nature. Their correspondence had been in sealed envelopes, it was not for commercial gain, and none of the material was unsolicited. Sir Peter had subscribed to the Paedophile Information Exchange but that was not an offence and there was no evidence he had ever been involved in its management. For Sir Peter it might have been added, though the Attorney did not, that there is no evidence that he indulged his sexual fantasies, in correspondence or otherwise, at any time when he was a diplomat and when he would certainly have been vulnerable to blackmail.

If this were all there is to the affair Mr Dickens would deserve rebuke. But it is not. The Attorney General signally fails to explain why Sir Peter was throughout allowed the protection of the pseudonym Henderson he used for obscene correspondence when his real name was known. Six people were called to give evidence at the

PIE committal trial and seven others were on the witness list. One individual who began the correspondence with Sir Peter was called; Sir Peter was not. He was, moreover, named in court papers as Henderson.

This was a matter for the police. There may well be an innocent explanation; but that is not the point. It was an error, fuelling the suspicions of special treatment for a man in public life. That can never be tolerated. The penalty in public esteem for Sir Peter being named as a witness in a child pornography case would, of course, have been harsh, but that is an inevitable penalty of public life. Sir Peter has suffered punishment far beyond what might have been exacted for prosecution under section 11 of the Post Office Act, but there is a particular revulsion for anything to do with child pornography, and rightly so. Society is entitled to express its attitude to what is socially objectionable as well as to what is technically illegal. It is a pitiful affair, but Mr Dickens was right.

From Mr Eamon O'Kane  
Sir, Brian Feeney of the SDLP (March 12) is unhappy that Mrs Thatcher has acknowledged once again the right of the Northern Ireland people to remain within the United Kingdom so long as that is their freely expressed desire. The appeal to "secularism" which Dr Feeney attached to this statement must, perforce, be applied to the construction of his own party since it also acknowledges that the constitutional status of Northern Ireland can only be changed with the consent of the people in the province.

The confusion does not end there. Dr Feeney goes on to claim that Mrs Thatcher failed to "nod in the direction of a substantial dissenting and disaffected minority in Northern Ireland (which the 1981 census will show to be bigger than ever)". The inference here must be that a very large minority in Northern Ireland are entirely opposed to being within the UK and that the 1981 census will demonstrate its growth. But how?

The 1981 census will not ascertain from people their attitude to the continued existence of Northern Ireland within the UK. That question was asked in 1973 in the border poll and despite the exhortations of Dr Feeney's party to abstain, nearly 60 per cent of the electorate voted, and of these, practically 99 per cent returned a vote in favour of remaining within the UK. In order to discover whether this situation has in fact changed, as Dr Feeney clearly implies that it has, should he not be calling for another border poll?

The 1981 census will ask respondents their religious affiliation, if any. Surely Dr Feeney is not suggesting that conclusions about peoples' views on the constitution can be so deduced from such census data? If that is the case, then the adjective "secularism" can more properly be applied to him since he is quite simply equating religious persuasion with political views.

Yours faithfully,  
EAMON O'KANE,  
Bristol Avenue, Belfast.

## FRAMEWORK FOR AN INDEPENDENT BELIZE

There are still plenty of difficulties to be overcome before there is a full settlement of the Belize question. But this week's announcement of the terms of the agreement between Britain, Guatemala and Belize marks a big step forward on an issue that has been an irritant for many years. In the normal course of events Belize should have been independent long ago. It could of move to independence, however, because Guatemala, basing itself on arguments that went back to the period of the Spanish colonial empire, claimed it as part of its own territory. And Britain, faced with periodic military build-ups on the Guatemalan side of the border, has had to keep some 1,600 troops in Belize in order to deter a possible invasion.

In the agreement that they have now signed, the Guatemalans have given up their claim to Belize; and they have done so without getting a strip of territory in compensation. Cession of territory was something they had pressed for hard, in the past, and the Labour Government dismissed it with them before an treaty here and in Belize put a stop to the idea. But in the latest round of negotiations it was clear to the Guatemalans that there could be no question

of handing over any territory. Instead, they were offered a number of economic advantages—free port facilities in Belize; territorial seas which will give them access to the Caribbean from their own north-eastern ports; the right to joint exploration for oil—and these they have now accepted, at least in principle.

The agreement still has to be turned into a treaty, and the heads of agreement which have been accepted in London translated into firm commitments. The whole package has also to be approved both in Belize and Guatemala, which will not be straightforward in either country. In Belize the main opposition party, the United Democratic Party, has accused the government of a "sell-out", and there was a riot this week after a demonstration by its youth wing. In Guatemala the agreement has been attacked by the National Liberation Movement, a rightist party, in much the same terms. But there is a fair chance that in both countries the terms of the agreement will eventually be accepted.

The main issue still to be settled is the defence of Belize, and whether British troops should remain after independence. In the past, Britain has taken the line that it could not assume respon-

sibility for defending Belize after it became independent. But more recently it has let it be known that it was in fact prepared to protect Belize if Guatemala continued to threaten it after independence; and it was arguably that, coupled with the declared intention of bringing Belize to independence before the end of this year, which persuaded the Guatemalans to negotiate. They faced the prospect of an independent Belize, protected by Britain, and none of the economic incentives being offered them.

The hope must be that a treaty will in due course be signed, based on the London agreement, which will usher in civilized relations between Belize and Guatemala, so that defence will no longer be such a burning issue. It will be hard for Belize to be completely confident about its larger neighbour, with its record of political instability and its appalling policies of repression; and that means that Britain cannot entirely wash its hands of events in that part of Central America. But Guatemala has found itself almost entirely isolated in its claims on Belize. It also has serious difficulties of its own, at a time of upheaval in much of Central America, and can hardly want to add to them by going to war over Belize.

From the Director of the National Festival  
Sir, Mr Julian Fellowes raises two issues of considerable importance in his letter to you today (March 19). They are matters of wider importance than whether or not an eminent man should have been prosecuted, or whether Mr Dickens exercised his proper use of parliamentary privilege.

The first question is whether it is appropriate in today's open society, with its high level of public knowledge, education and awareness of policies and persons, that the law should exercise such wide discretion over the prosecuting process. In particular, the Attorney General has accumulated, in scores of isolated statutes, the right to prevent any person from being prosecuted or being named in a prosecution. Furthermore, the many instances in which the Director of Public Prosecutions has decided not to prosecute need never be made public, nor the grounds on which such decisions have been taken. It is right that this state of affairs should be highlighted, since it represents a real threat to the rule of law.

Yours faithfully,  
J. A. LEAVEY,  
10 Alexander Place, SW7.

## Question of privilege

From the Director of the National Festival  
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Yours faithfully,  
J. A. LEAVEY,  
10 Alexander Place, SW7.

Secondly, Mr Fellowes supports the Attorney General in his opinion that the offence in question is "trivial" but raising this with some amateur psychology concerning the effects of pornography. The facts are that every year sees a fresh round of research reports indicating the disinhibiting effects of visual and verbal material of a violent and/or pornographic nature. In some cases this has measurable effects upon subsequent behaviour.

Public and postal traffic in such material is prohibited by national law and by an international convention. Can criminal legislation aimed at keeping the nation free of pollution-free, and in particular at making the world a little safer for women, be dismissed as constituting "an offence so slight that it is beneath the official notice of the law?"

May I conclude by noting that I write as director of a body which has not rushed to support Mr Dickens in his action, either before or after the book? It was not my duty to do so.

Yours faithfully,  
O. R. JOHNSTON,  
Nationwide Festival of Light,  
21a Down Street, W1,  
March 19.

## Civil Service loyalties

From Mr P. B. Edwards  
Sir, The Civil Service unions have declared that the sole object of the strikes they have called in revenue collecting departments is to wreck the Government's cash flow. Would it not now be appropriate for the Treasury to issue instructions to all departments to pay no wages or salaries until such time as revenue collection is restored to normal?

Such action could not be interpreted as strike breaking, but merely as a self-inflicted wound.

Yours faithfully,  
P. B. EDWARDS,  
St Leonards,  
Little Eversden,  
Cambridge,  
March 17.

## Penny-wise cuts

From Mr Alan Hill  
Sir, Your very interesting curriculum vitae ("Man in the news", March 18) of Nigeria's President Shagari contains a sentence of great significance: "Two years later he came to Britain on a British Council sponsorship."

This former overseas student now leads a country which is Britain's biggest trading partner outside the EEC and the United States. This not only vindicates the British Council but highlights the folly of the current drastic reduction in the numbers of overseas students coming to this country.

Yours faithfully,  
ALAN HILL,  
Heinemann Educational Books (Nigeria) Ltd,  
22 Bedford Square, WC1,  
March 19.

## Out of the mouths

From the Safety Officer of Oxford University  
Sir, I have the duty to advise the University of Oxford in all matters pertaining to safety. In particular I have to give guidance on the interpretation of the many regulations to which the universities have lately become subject. The most recent addition to this collection is the Control of Pollution (Special Waste) Regulations 1980, which deals with the disposal of noxious substances.

This confusing document contains a schedule of substances, including all laboratory chemicals, which are deemed to be potentially noxious. The test as to whether any sample actually is noxious is intriguing and I quote, "If a single dose of not more than five cubic centimetres would be likely to cause death or serious damage to tissue if ingested by a child of 20 kilograms body weight, or a child of 10 years or less, it is not possible for a child to ingest five cubic centimetres, which in the case of a listed substance, such as asbestos, might well be so, then that sample does not come under the regulations."

The choice of children as an experimental species is unusual. It may, of course, be an attempt to reduce the number of experiments on animals in view of the recent activities of the anti-vivisection groups. However, the document does not reveal which one may obtain a supply of 20-kilogram children for these tests.

It is fair to say that our local authority have said that they are waiting for clarification of certain aspects of these regulations from the Department of the Environment.

Yours faithfully,  
RUPERT CECIL,  
11 Kibble Road,  
Oxford,  
March 17.

## Light on the beaches

From Mr Ted Hughes  
Sir, Mr P. M. Barlow's letter (February 20) emphasising that the remainder of our inshore fisheries is to the beaches, to foreign fishing fleets would also include—far as the stocks of salmon and trout are concerned—the surplus of our rivers, should be set its larger context and not read it as a plea from the angling press and their dependent fisheries.

Mr Barlow's anxiety is realistic. The Irish have found, on some of their, a very few small rivers, with the right gear, working the estuary mouth, can empty a river of its salmon in five or six days, and take most of the season.

Granted that nobody is going to much for our salmon without doing something about the under of the stocks at sea, we could not lose sight of the unexplored potential of these rivers of fish.

The story of recent salmon runs in Alaska is instructive. In early 1970s, the breeding stocks of Alaskan rivers were protected almost exclusively by unpopulated measures at the time. Fishing reopened as the rivers have overed, with the taking of fish

tightly controlled each year on each river till the full breeding complement has escaped upstream. The results began to show by 1977 when the total Alaskan catch climbed to 49 million salmon. In 1980, the figure was estimated at 100 million. The Icelandic returns tell a similar tale.

What Alaska and Iceland have in common is that they claim absolute ownership of their salmon, and protect them at sea. But who can claim the ownership of British salmon?

In the light of these very recent developments in the management of sea-going salmon, it would evidently be sensible to retain control of our rivers and their inshore approaches. There need be nothing "selfish" about this. France and Spain and the rest can take advantage of the same, in their emptied rivers, as easily as we can in ours.

The Atlantic Salmon Trust's proposal to ban all taking of salmon at sea, and restrict the commercial harvesting to the surplus stocks at the river mouths, is clearly the answer. Assuming it can be policed, this plan would settle at one stroke the complicated international squabble over who owns which salmon in the sea. And it would open the way for each Atlantic European country to do as the Alaskans and the Icelanders are doing.

In the immediate crisis, the Atlantic Salmon Trust and its policy deserve the active support of everybody interested in the future of this valuable fish.

Yours faithfully,  
TED HUGHES,  
Moorwold,  
Winkfield,  
Devon,  
March 4.

Celebrating a royal event  
From Mr Claude R. Hart  
Sir, There are surely two further benefits of a royal marriage at St Paul's. The route will unify, in celebration, the Cities of both London and Westminster. The length and directness of the route, via The Mall, Strand, Fleet Street and Ludgate Hill, will be both better for the spectator's and the television coverage's points of view.

Previous coronations have proved how lacking in splendour the streets around Westminster are.

I remain, Sir, yours faithfully,  
CLAUDE R. HART,  
68 Bradbourne Road,  
Severalls,  
Kent,  
March 17.

## Reporting black unrest

From the Reverend David Stuart-Smith  
Sir, I feel I should write in answer to Mr Alan Toop (March 11). My house was burgled recently and the culprit was white. Three weeks ago I was involved with the mugging of an elderly lady by two white youths.

One of my congregation who teaches in Tulsa High Comprehensive School tells me that they have more trouble from white boys than black because, on the whole, black families are more disciplined than white in that area, and added that Asian families seem to be the most disciplined of all.

Yours faithfully,  
D. STUART-SMITH,  
2 Thornton Road, SW12,  
March 13.

## Tunncliffe collection

From Mr H. H. F. Summerson  
Sir, May I say how delighted I am to see the Tunncliffe collection is to be sold? We have heard too much about the "national heritage" and the "need to keep the collection together"—nebulous sentiments both. This sale gives the individual a rare and marvellous opportunity to acquire a treasure for himself.

Yours faithfully,  
H. H. F. SUMMERSON,  
3 Terrett's Place,  
Upper Street,  
Islington, N1,  
March 17.

## Awkward squad

From Mr H. C. L. Fossnidge  
Sir, Mr Laurence Cotterell's account (March 17) of the origins of "swaddy" or "squadie" is ingenious but wrong.

The word is much older, than the swadeshi movement, which goes back only to 1905. Partridge's Dictionary of Slang and Unconventional English traces it back to the 1860s as soldiers' and sailors' slang and as far back as 1708 as "swad" or "swadlin". As "squad" it occurs in Ben Jonson's Tale of a Tub

(1633) to denote a short or squat person; at that time the word was synonymous with "country bumpkin" and by extension came to be applied later to the militia.

As a wartime serviceman I recall that the usage was more often than not "squadie" and was generally applied mock, self-deprecatingly by private soldiers to or about one another.

Yours faithfully,  
HAROLD FASSNIDGE,  
Morgan Lodge,  
St Margaret's Hill,  
Bradford on Avon, Wiltshire,  
March 18.

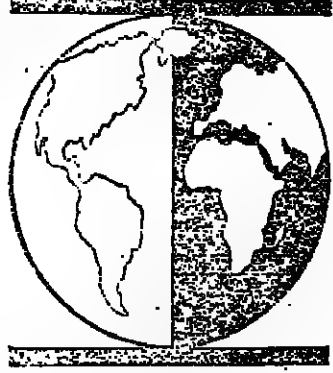












## Japan fears American restraints on car imports

Mr. Retsusuke Tanaka, Japan's international trade and industry minister, has indicated that it may be difficult to curb Japanese car exports to the United States without legal measures. He told a parliamentary committee that he fears the United States may apply its anti-monopoly laws, depending on how the restraint on car exports is arranged.

He was commenting on the restraint expressed by Mr. William French Smith, United States attorney general. Any agreement between America and Japan would have to be carefully constructed to avoid private lawsuits in the United States alleging government complicity in violating anti-monopoly laws, unless Japan made restraints legally binding on its car makers.

### Swedish loan stock

The £50m loan stock issued by the Swedish Government closed yesterday and was oversubscribed. The issue is the first to be on tender basis for interest rates. The allotment yield is 13.57 per cent and the stock will bear interest of 13.5 per cent at an issue price of £99.77.

### Siberia crude deposits

The Soviet Union will probably be able to extract very little oil from the gigantic Pashkov deposits in Siberia, the Soviet research company, Telesudnitsa, said.

### TV sales surge

Television sets and other items have been in great demand in Tel Aviv since Mr. Yoram Avidor, the finance minister, announced a number of tax and duty reductions. According to some estimates, 90,000 television sets and 8,000 small cars have been imported or ordered since the reductions.

### £46m state steel loss

Net losses of the Finlander group, IRI's public sector steel industry, more than tripled to about 1,000,000 lire (£46.2m) last year from 208,000 lire in 1979, Signor Pietro Sella, chairman of IRI, the state industry holding company, said.

### Business profits down

Higher costs, mainly caused by rising labour costs, cut into German business profit margins in the second half of 1980. Earnings revenues totalled 307,200m Deutsche marks (£230,057m) in seasonally adjusted terms, down 5.5 per cent from the first half.

### Record oil output

Members of the Organization of Petroleum Exporting Countries expanded their refining capacity by a record 17.47 per cent in 1980, an increase over the previous year of 929,400 barrels a day.

### Rubber agreement

Malaysia has asked Romania to join the International Natural Rubber Agreement, Mr. Paul Leong, the primary industries minister, said. He urged Romania to take advantage of Malaysia's special monthly commitment of 300 tons of natural rubber to eastern Europe.

## Engineering Employers Federation to submit dossier to Chancellor

# State industries 'abuse' monopoly

Britain's engineering employers will submit a detailed dossier early next week to Sir Geoffrey Howe, the Chancellor, alleging that state industries are abusing their monopoly powers.

The submission will be based upon evidence provided by engineering companies throughout the country which has been collected by the Engineering Employers' Federation.

Mr. Anthony Frodsham, director general of the federation, wrote to Sir Geoffrey earlier this week complaining that "the Government has fallen down badly on its own managerial role of the public sector, not least because we are ourselves so painfully achieving the changes in industry which your policies demand".

The federation has already emphasized that efforts by state industries to stay within their financial limits have often led to unreasonable trading practices rather than to attacks on inefficiency. The dossier is designed to stress the extent to which the engineering sector is suffering from this additional burden.

Like the rest of industry, the state industries are reining in their normal credit facilities and evidence collected by the federation will show that this action is

not only exacerbating already considerable difficulties but in a number of cases will substantiate their allegations.

Fuel supplies are among the most sensitive subjects. Most regional gas boards previously allowed companies a seven-day "grace" period for payment of bills, in effect providing companies with 20 days in which to settle invoices.

But in cases notified to the federation area boards have abolished this period and unpaid balances attract interest. In the case of Scottish Gas, for example, this amounts to four per cent above clearing bank base rates.

One company has received an invoice for an extra 99p for being a day late; another was sent a demand for an additional £19 for being six days late in paying its bill.

A Yorkshire company had a minimum gas supply contract with the area board but because the company failed to consume the minimum under the terms of the contract the local gas board demanded £50,000 for the gas it had not used.

But the difficulties are not restricted to gas; British Telecom will be among other state industries cited in the federation's submission. It has reviewed its credit control policies and bills are now payable

within three weeks of invoices being dispatched. It is claimed that failure to pay exposes companies to the risk of disconnection within seven days.

According to the federation, one Glasgow company paid a bill for £3,000 on time but then found its telephones cut off because it had inadvertently failed to pay a £10 rental charge for an emergency telephone.

Apart from the obvious problems these developments have caused, the employers' federation will emphasize that most companies operate computerized systems geared to a 30-day payment cycle.

State industries, faced with rigorous application of external financing limits by the Treasury, acknowledge that one result has been that they have tightened up their debt collection procedures.

The North Eastern Gas Board said: "We have to be as fair as we can to our customers without cutting our throats. With another round of negotiations coming up for industrial users, we are having to look carefully at each individual case. The good customer of today can be the bankrupt of tomorrow."

Edward Townsend and Peter Hill

## Companies using tie-in sales face Office of Fair Trading inquiry

By David Hewson

Computer companies, brewers, petrol distributors and agricultural suppliers face preliminary investigation by the Office of Fair Trading for tie-in sales of their products to the supply of other goods.

A report by the Monopolies and Mergers Commission published yesterday also looked at the sale of television airtime, drugs, and restrictions placed by building societies on the choice of acceptable insurers, but found the arrangements were not against the public interest.

Tie-in sales occur when a particular type of goods or service cannot be acquired without another specified item.

Mrs. Sally Oppenheim, Minister of State for Consumer Affairs, announced yesterday that she accepted the commission's conclusion that there

was no need for legislation to prohibit full-line forcing and sales. Line-forcing is where one item cannot be acquired from a range without some or all of the remaining items.

The commission had studied the general effect on the public interest of such practices and found that the proportion of cases in which they operated against the public interest was not sufficiently high to justify a general prohibition.

The provisions of the Competition Act were sufficient to deal with practices against the public interest, but yesterday's report would be useful in identifying circumstances in which they were harmful, Mrs. Oppenheim said.

A spokesman for the OFT said that the commission's

report would be studied in coming weeks and the Office expected to look at areas where the report suggested investigation.

The commission had received complaints about ties in the hire or purchase of computer equipment. While reaching the conclusion that unjustified discrimination was the exception rather than the rule, the report lays down guidelines on computer sales and adds that there may be cases which merit investigation under the Competition Act.

Free trade loans made by breweries were not criticized by the report, but it said that tied tenancy agreements, which were outside the terms of its reference, appeared to be much more significant from the point of view of the public interest.

"Full-Line Forcing and Tie-In Sales (HMSO £3.90).

## Anger on failure to curb US textiles

By John Huxley

British textile leaders have reacted angrily to the European Commission's unwillingness to curb imports from the United States.

They claim that imports based on artificially low energy and feedstock costs are now causing "intolerable pressure" in certain sectors of British industry, especially those making man-made fibres.

Yesterday Mr. Leonard Regan, president of the British Textile Confederation, said that the industry had lost patience with the Commission.

"The Commission has demonstrated its lack of will and lack of ability to defend the United Kingdom textile industry against disruption from United States imports."

"Further, it is attempting to conceal its failure with a smoke-screen of hollow claims."

The industry had hoped that safeguards, either in the form of voluntary restraint by the Americans or controls, would emerge from this week's meeting of the Council of Ministers. A report given to the ministers by Mr. Wilhelm Haferkamp, Commissioner for External Relations, suggested that little or no progress had been made.

The debate over alleged unfair competition from United States producers has rumbled on inconclusively for a couple of years, occasionally becoming sufficiently bitter for participants to fear that it would turn into a trade war.

Last year Britain was allowed to introduce quotas on a limited range of synthetic fibres and fibre products. Anti-dumping action has also been taken in respect of some American products.

The British Textile Confederation claims that American action over energy prices has been of limited significance.

"The decontrol of oil prices is welcome, but the Commission can claim no credit for this. It was a domestic decision by the United States. Further, the decontrol of oil meets only the smaller part of the problem of unfair energy pricing."

"Natural gas prices are more significant, and the administration has gone no further than to declare its intent to work in the direction of gas price decontrol before 1985."

Mr. Regan called on the Government to take immediate action to curb imports.

From Mr R. B. Taiter

Sir, Although well intentioned, Sir, the Chancellor has fumbled his handling of the loan guarantee scheme aimed at small businesses.

Nearly every advanced country has successfully developed such a scheme long ago—the exception being the United Kingdom. Despite this, and as might be suspected, its introduction had been bitterly resisted by the clearing banks who have argued that this was "no need". Of course, this line of argument follows the narrow self-interest more closely than the urgent need of small businesses for finance.

The banks recognize that no small business will tolerate their restrictive lending practices loaded as they are with personal guarantees and the like, if a proper commercial alternative is available. The guaranteed loan scheme provides just such an alternative.

However, to have entrusted the administration of the scheme principally to the clearing banks is to entrust the chickens to the fox.

In contrast in the United States any lender on forming a small business loan company can lend money and obtain a government guarantee from the Small Business Administration. It is recognized as being competitive with the banks who would otherwise neglect positions other than strictly orthodox.

Given the British clearing banks' abysmal record of innovation and their near monopoly position it seems incredible to have entrusted the administration of the scheme to the banks.

Small businesses should not get too excited about the latest package in the Budget as typified by the loan guarantee scheme.

A phone call to Barclays Bank today produced the dead-

pan response that they have received no instructions from head office on the implementation of the scheme. Barclays Bank head office say nothing has yet been finalized with the Department of Industry. The Department of Industry (small businesses section) say that they are still trying to agree terms with the banks.

It is well known that the clearers have fought this proposal tooth and nail. They feel it would compete with their present lending which invariably necessitates directors' personal guarantees.

Have the banks become so powerful that they can frustrate Government policy to suit themselves?

Yours faithfully,  
R. B. TAITER,  
Tutor, Mansions,  
Gondar Gardens,  
London NW5,  
March 16.

## Changes to the Lloyd's Bill

From Mr S. Merwyn Herbert

Sir, Mr. John P. Follows' spirited exposition of the changes in the Lloyd's Bill (March 18) reads reasonably, but it of course misses the point.

Nobody has any desire to preclude Lady Middleton from exercising her undoubted right to intervene in the parliamentary progress of the Bill. The objection is to her purporting to do it as a representative of the Lloyd's Names at large.

The facts are that Lady Middleton was appointed chairman of a steering committee which was intended to set up the organization needed to assist the External Members of Lloyd's to discharge their statutory responsibilities which will have (when the Bill goes through) of electing members of the new Council of Lloyd's. This steering committee has signally failed to do, despite its efforts, to alter the Bill—an activity which was certainly not confined to it.

The great mass of the 15,000 names at Lloyd's are not interested in the concern of Lady Middleton and her colleagues "to improve" the Bill and they are naturally outraged that she should be representing to do this in their name—not to say

with money they subscribed for a totally different purpose.

Yours faithfully,  
S. MERWYN HERBERT,  
16/17 Bride Lane,  
London EC4Y 8EB,  
March 18.

From Mr D. N. Vermont

Sir, Mr. John P. Follows' argument (March 18) is unconvincing, but they do not alter the fact that Lady Middleton represents a tiny minority of the membership of Lloyd's. The "working Names" devotedly hope that she will not set more suggestions, but they do not alter the fact that Lady Middleton represents a tiny minority of the membership of Lloyd's. The "working Names" devotedly hope that she will not set more suggestions, but they do not alter the fact that Lady Middleton represents a tiny minority of the membership of Lloyd's. The "working Names" devotedly hope that she will not set more suggestions, but they do not alter the fact that Lady Middleton represents a tiny minority of the membership of Lloyd's.

In June, 1980, I wrote a Colgate Palmolive UK asking why I could not purchase similar washing powder in this country and their answer was "At present we have no plan for marketing this product in the United Kingdom."

Electricity costs are high and in any case, we should be conserving energy resources. I would like to contribute to the reduction of our electricity bill (and my husband would be delighted) and the public stand why the housewives of this country are denied the supply of a satisfactory cold water washing powder.

Yours faithfully,  
MARGARET WILSON,  
4 Grace Avenue,  
Bisling Hill,  
Kent.

## Washing with cold water

From Mrs Margaret Wilson

Sir, With reference to Mr. Skewington's letter (March 18) recounting her use of cold water clothes washing powder, I, too, have a machine with a cold water programme. During a stay in the United States I used regularly a product marketed by Colgate Palmolive and found the results quite satisfactory.

In June, 1980, I wrote a Colgate Palmolive UK asking why I could not purchase similar washing powder in this country and their answer was "At present we have no plan for marketing this product in the United Kingdom."

Electricity costs are high and in any case, we should be conserving energy resources. I would like to contribute to the reduction of our electricity bill (and my husband would be delighted) and the public stand why the housewives of this country are denied the supply of a satisfactory cold water washing powder.

Yours faithfully,  
MARGARET WILSON,  
4 Grace Avenue,  
Bisling Hill,  
Kent.

## Nigerian action against corruption

From Mr S. T. Fahn

Sir, You carried a report by John Kebab in your issue of March 9, highlighting what he saw as "The corruption that grips Nigeria". You also showed a photograph of what purported to be the Lagos harbour, with the additional caption that "bribery" was used to help clear ships.

The report was not only misleading, but also irresponsible and mischievous. There is little doubt that corruption in one form or another does exist in business and commercial circles in West Africa and Europe and is not, therefore, a peculiar Nigerian disease. What is incontrovertible is the fact that the phenomenon of corruption which may at present be prevalent in Nigeria has come about as a direct result of the activities of expatriates, both European and non-European, in business and commerce who have descended on the country like locusts since the oil boom created the "honey pot" situation in Nigeria and who take it upon themselves to want to do the impossible and solicit support and assistance from Nigerians from the humblest to the highest in connection with their own activities in the country.

Your correspondent failed to mention the fact that the

Nigerian government has established a public complaints commission in each of the 19 states of the federation with the object of dealing exclusively with corruption and these commissions have powers which enable them to summon witnesses and pronounce judgments which can only be challenged through the courts.

To suggest, as your correspondent did, that bribery was used to help clear ships is dishonest and unworthy of a journalist. The story of dock congestion in Lagos harbour is too well known to bear repetition, but the whole world was aware at the time of the number of cement ships which found their way into Nigeria and the problems which the government had in ensuring an orderly discharge of cargo are well known to those engaged in the commercial life of Nigeria.

Your correspondent's allegations are riddled with observations of his contacts based largely on hearsay and to damnify a whole nation in the way he implied in connection with the British Inland Revenue, is as unfortunate as it is insensitive. Nigeria is the only country in the whole of black Africa where the president and chief executive is pre-

pared to declare his assets to the whole world to know as correspondents, such as you own, should ensure that fact relating to misdemeanours, including corruption, which can be proved are placed in the hands of the appropriate authorities before rushing to their own private glasshouses.

Anyone who is a Nigerian and who has lived in this country for some time must have been aware of the Poulson enquiries, the Stern/Crow Agents reports and more recently the revelations which surfaced at the trial of Lord Kagan, not to mention the disclosures which accompany the report of "Operation Countryman" which dealt with bribery and high level corruption within the Metropolitan Police Force. No one is saying that this is typical of the United Kingdom, but to put it in a paper of the standard of The Times, crude and unsubstantiated allegations, is unfair, both to the country and to the people of Nigeria.

Yours faithfully,  
S. T. FAHN,  
81 Apollo Way,  
Blackwood,  
Gwent,  
March 12.

## Cadbury Schweppes Limited

### "IMPROVEMENTS IN ALL KEY AREAS"

PRELIMINARY ANNOUNCEMENT BY SIR ADRIAN CADBURY, CHAIRMAN

	1980 £m	1979 £m
Group sales	1,118.9	1,006.0
Trading profit	80.5	70.7
Group profit before tax	61.3	57.3
Taxation	12.8	17.8
Dividends	15.3	14.3
Profit retained	25.8	23.2

\* Profit rose £4m. The Group and all trading regions returned higher sales and higher profits.

\* Total dividend increased.

\* Return on operating assets up from 16.5% to 18.6%.

\* Backing of major brands brought increase in market shares in spite of lack of overall market growth.

\* Net borrowings reduced.

\* Good result in United Kingdom especially in view of difficult economic environment.

\* Continuing growth overseas with major profit rises in Australia and South Africa.

\* North American progress confirms market's priority for further investment.

Cadbury Schweppes Limited, Leconfield House, Curzon Street, London W1Y 7FB

## EEC steel output rises by 2.6 pc

By Peter Hill

European steel producers increased output by 2.6 per cent last month against the trend in the non-Communist world. This was achieved despite the mandatory production quotas of the EEC Commission to stabilize the market and to harden prices.

Figures issued last night by the International Iron and Steel Institute in Brussels revealed that crude production in the non-Communist world fell by almost 3 per cent last month to 36.2 million tonnes, with only the EEC producers showing any marked upturn.

Production among the 29 member countries reporting to the IISI fell by 5.8 per cent, compared to the corresponding period last year and with the steepest fall in Japan.

## Chip for cheaper viewdata

By Bill Johnstone

Mullard, the semiconductor manufacturing subsidiary of Philips, has launched a microchip which could reduce the price of a viewdata television set substantially.

The new chip called Lucy line coupling unit asynchronous receiver/transmitter) will reduce the difference between the price of an ordinary television set and one designed for Prestel by nearly 30 per cent, giving a saving of between £100 and £200.

It is hoped that the new chip will give added impetus to the viewdata market in the United Kingdom which has about 8,000 users, many of whom are businessmen.

The Lucy chip will be made at the Mullard semiconductor

plant in Southampton, Hampshire, where other chips are made for sets which can receive Oracle and Oracle broadcast teletext services.

About 170,000 pages of information are available in the Prestel system through an ordinary telephone circuit. Cee-fax and Oracle broadcast about 500 pages.

The level of sales of viewdata sets in Britain has been much lower than expected. Manufacturers of sets and of electronic components and adaptors for viewdata and teletext met in London in January to formulate a policy to boost sales.

Last year 30,000 out of a total of 4.9 million colour television sets sold in the United Kingdom were for teletext and only 5,000 for viewdata.

## Wide role of secretaries' association

From Mrs P. A. Wride

Sir, As a member of the European Association of Professional Secretaries, I cannot help but be irritated and dismayed by Ross Davies' trivializing account of our United Kingdom secretaries' dinner in Business Diary on March 13. The item would appear to be of little consequence for The Times, EAPS and not least the supportive and eminent people who attended the dinner, for and with whom we work.

There was a paucity of information about EAPS, which has members drawn not only from among experienced secretaries but from commercial and industrial corporations and well respected institutions, which belongs as corporate or affiliates, and other sources of note. In addition, EAPS fields members on a variety of educational and advisory committees, provides speakers for secretarial and management training courses, and has a developed programme of informative and enjoyable business functions and meetings, to which top calibre speakers come very willingly.

Agreed, it is perhaps a little unusual for boxes to be taken out by their secretaries, but our annual dinner is a perfectly straightforward business function, no different in every other respect to the numerous other such events which executives attend. Shame on The Times, Mr. Davies, for perpetrating all the silly and embarrassing innuendoes of office life, which are irrelevant for EAPS members and their bosses and associates.

Yours faithfully,  
PATRICIA WRIDE,  
European Association of Professional Secretaries,  
114 Park Street,  
London W1Y 4AB,  
March 16.

## BERISFORDS LIMITED

Manufacturers of ribbons, labels, trimmings, embroidery and lampshades

Year ended 21st November, 1980

John F. Sebire, O.B.E., Chairman reports:

- \* Worldwide sales maintained at £10.5m
- \* Exports increased and now 25% of turnover
- \* Pre-tax profit down at £256,000
- \* Major economies effected for 1981
- \* Dividend maintained at 3.6p (21.7% gross)

Copies of the Report and Accounts may be obtained from:

The Secretary, Berisfords Ltd.,  
P.O. Box 2, Coniseton,  
Cheshire, CW12 1EF.

## 151st ANNUAL GENERAL MEETING

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 151st Annual General Meeting of the National Mutual Life Assurance Society will be held at 5 Bow Churchyard (off Chappin) in the City of London on Tuesday, the 21st day of April, 1981 at noon for the following purposes:

- to receive and consider the Directors' Report, the Accounts and Balance Sheet for 1980 and the Auditors' Report thereon;
- to elect Directors;
- to re-appoint the Auditors and to authorize the Directors to transact such other business as can properly be transacted at an Annual General Meeting of the Society.

A member qualified to vote at the above meeting is entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy need not be a member of the Society.

By order of the Board  
W. P. JACKSON  
Secretary

70th March, 1981



BY THE FINANCIAL EDITOR

## Cadbury moves into top gear

News of Cadbury Schweppes' £4m profit increase to £61.3m last year impressed the stock market, which has only recently started to come to terms with the group's transformation during the past three years. The shares gained 5p to 83½p, and certainly the result is a vindication of Cadbury's decision four years ago to pull back from scatter-gun diversification and concentrate on the mainstream businesses while investing heavily in automation. Thus, trading margins have even been raised a fraction to 7.2 per cent in the midst of recession and in the face of slack demand in most product areas.

Strong improvements in Australia and South Africa account for the increase, while an accounting change has boosted profits by about £1m. But Cadbury has clearly been winning a larger share of a declining market in the United Kingdom. Meanwhile, tight control on working capital has reduced borrowings and strengthened the balance sheet to the extent that Cadbury can talk confidently of further expansion moves in the United States.

Yielding 7 per cent after a maintained final dividend—the interim went up by a quarter—and total dividends covered one-and-a-half times by current cost earnings, the shares should make further headway. Certainly, in the short-term they should outperform Rowntree-Mackintosh which is expected to reveal lower profits next month, though higher operational gearing and volume sensitivity behind Rowntree's comparatively weak performance could result in that group producing a dramatic profits surge when demand finally picks up.

Money supply growth of 0.9 per cent in February was roughly in line with last week's official prediction. The underlying monthly growth in bank lending to the private sector seems to be settling down at around £490m, less than half the peak rate of last summer. How much further this will fall is open to debate but the present picture is not all that low at a time when the stock market is near its bottom.

Meanwhile, the external finance item has turned positive, presumably reflecting the current account surplus and other residents' net inflows to be accumulating in foreign currency to take advantage of higher dollar interest rates.

In these circumstances pressure to generate further capital outflows will intensify as dollar interest rates decline. Little wonder that markets are already looking for another up cut in MLR.

## Government's feline

Whatever the arguments over ICL's role in a computer industry, the Government at last seems prepared to give the group the benefit of the doubt that there is a future, provided it can survive its short-term cash emergency. That seems to be the conclusion from yesterday's support package on the Department of Industry involving government guarantee on a further £200m bank loan and research and development of £10-£12m over the next few months. After spending most of the 1970s trying to trade out of the Government's £40m ant. ICL is back to square one except this time the figures are bigger and the risks easier. Even if ICL can struggle through a next couple of years—and the Minister Trade admitted yesterday that government support had become essential—the question for shareholders is what sort of financial state the group will be in. Plainly everything hinges in the trading stock. With the cash outflow now being at it in the region of £150m it looks as though conditions have deteriorated further since the start of the year when the drain looked about half that. With virtually all existing bank overdraft facilities of £70m now used up, it is likely that the further £200m facilities could be exhausted in a time—unless there is radical action now. Even taking the best possible outcome, it would well be years before gearing gets back in tune with shareholders' funds which are likely to have fallen to £100m by the end of this year.

The other question so far unanswered is the conditions that attach to the Govern-

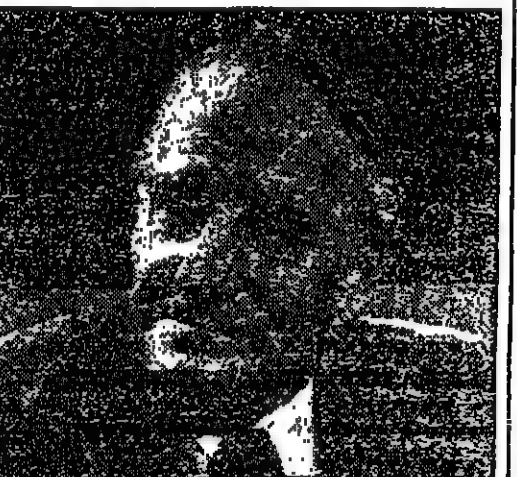
ment guarantee. The terms for the loans are likely to be onerous and the guarantee is linked to the company's performance over the next two years which suggests imminent management changes in view of the way the group was suddenly caught out by the downturn in the market last year. At the 47p suspension price, the group is capitalised at £56m, which reflects bid hopes rather than trading prospects.

## Tricentrol An exercise in purity

When many of the United States oil majors are seeking their fortunes in diversification into other natural resources, Tricentrol is moving against the trend in deciding that its prospects and market rating will be enhanced if it can put on a pure exploration face. Certainly, its pot-pourri of commercial operations has taken some of the gloss off a straight oil exposure. But the key to Tricentrol's plans to demerge the non-oil and gas interests appears to lie in its ambitions in North America where investors tend to be less sympathetic to the diversification argument. Thus, potential partners in the United States and Canadian energy field should find the group's paper more acceptable, and with the United States already taking the main thrust of the exploration effort, the group has been persuaded that expansion will be easier if it can command a pure energy rating.

The success of the share placing in the United States and Canada last year and now the deterrent in the latest Budget on the North Sea is causing the group to turn its back on Britain.

That, rather than the final figures showing net income up by half to £15.8m, which unlike earlier years was no better than market expectations, was enough to see the shares 22p up at 306p, enthusiasm that was also reflected in New York. Meanwhile, Tricentrol will need to show all its entrepreneurial flair in emphasizing the growth attractions of its slightly nebulous "high technology projects" if the non-oil company that it will be setting a quote for is not to fall flat on its face.



© BICC, whose chairman is Sir Raymond Pennock (above), placed just over £13m worth of new equity in the London market yesterday to fund the acquisition in the United States of Boschert, an electronic components business. It supported this with an estimate of 1980 profits—up by 13½ per cent to £74.6m—an intention to raise the dividend by 10 per cent and an indication that the balance sheet has strengthened during the past 12 months. The placing duly went like clockwork.

BICC will publish final 1980 figures in three weeks, but it has been clear for some time that it would be an exception to the rule among British manufacturers this year.

One reason is that BICC started rationalizing its United Kingdom cables group, which contributes around 23 per cent of profit, three or four years ago and is able to benefit from these measures during the recession; another, that it has been able to win a high order book overseas, notably in the Middle East. The shares responded by gaining 4p to 213p yesterday where they yield 6.5 per cent, a rating which reflects BICC's performance, but still leaves scope for buyers.

## Technology

In the volatile mixture of high technology and highly competitive marketing that is the general purpose computer business, bubbles can burst easily and high flyers can crash rapidly to earth.

Yesterday's announcement by Sir Keith Joseph, Secretary of State for Industry, that ICL, Britain's (and Europe's) largest indigenous computer company, is to receive a guarantee of up to £200m for up to two years should restore some stability to that company's operations, at least for the time being.

But what are the long-term prospects, what went wrong and what lessons are there for the future?

In essence, the company's present problems arise from a combination of poor business in 1980 and a requirement for high research and development spending. The high R and D spending is a characteristic of the computer industry; the poor business year was in part a reflection of the general economic depression, aggravated by earlier price cuts by IBM, the American-owned market leader.

Although news of ICL's ill fortune appeared to take the

City by surprise last year, the signs were there some time before—both for ICL management and for outside observers.

Could the company's serious position have been avoided by any big change in its span of activity or range of products? The answer is "not really", although this has been suggested by critics recently.

At present the company has a wide range of mainframe computers, a strong minicomputer line, substantial software and bureau operations and is recently launched viewdata activity. After initial software problems in recent years with its complex larger machines, ICL has now evolved a sound, cross-the-board technology base.

It has developed two ingenious computer devices (known as the distributed-array processor and the content-addressable file store), which are world leaders in technology. Last June it began selling printed circuit boards, using advanced technology, to outside customers in the electronics, telecommunications and computer industries.

ICL's present financial illness coincides (and contrasts) with this technological health. Rather than that it should cut

back to concentrate on one particular sector or another, it could be argued that ICL's future health would be better assured by an expansion (through links with other companies, for example) into other branches of the converging information-technology industries.

But though such links, into telecommunications and overall office automation in particular, may well be desirable for the long-term development of the company, they could not have helped—indeed, they would have exacerbated—its present problems.

It would be prudent for a computer company geared up to an annual 20 per cent growth rate and investing in R and D accordingly to make some provision for a bad year. Within ICL there is a feeling that top management has not been running the ship tightly enough: that a tougher management style would have been more effective.

For the National Enterprise Board the situation will be ironic. Had the board not been instructed to dispose of its holding in ICL the present crisis probably would not have arisen. Not only would access to the required resources have

been facilitated; but the monitoring of the company's operations, which forms a routine part of the board's activities with any company in which it has a holding, could well have given an early warning of the deteriorating position and could have led to some corrective action.

Sir Keith mentioned yesterday the importance which the Government attached to the continuing health of ICL by virtue of the fact that the Government is a major user of the company's products. This has been one factor in the continued support for the company since its formation in 1958 from Labour and Conservative.

But by the end of 1979 the Government's 25 per cent holding in ICL had been shed and one year later the preference in central government computer procurement in favour of ICL was ended under EEC rules and those of the General Agreement on Tariffs and Trade (GATT). This was the last remnant of the national policy which shaped the formation of the company in 1958.

The guarantee announced yesterday, Sir Keith emphasized, was for a limited amount

—and for a limited time. It should give the company the opportunity to review its longer-term business opportunities.

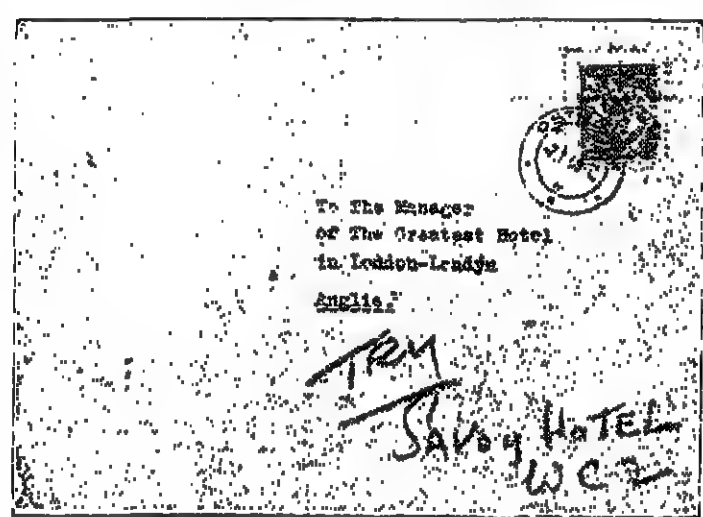
Over the past year Dr Christopher Wilson, ICL managing director, has been arguing that there should be a public sector computer procurement policy for the European Community which would benefit the "truly European industry". Public sector business should be awarded in accordance with a priority list, he proposes, ranging from a national and European supply to an international competitive bid.

ICL has about 9 per cent of the European computer market (and about 3 per cent of the worldwide computer market). The European market, and the world market, are dominated by American suppliers.

"If Europe's computer requirements are met primarily by the United States," Dr Wilson says, "with Japan as the principal second source, then those two countries will have their hands on the means to control the pace and direction of Europe's social and economic development."

Kenneth Owen

## Savoy battle: how do both sides measure up?



Reproduced from The Savoy by Stanley Jackson published by Frederick Muller.

A popular view of The Savoy Hotel.

Savoy Hotel itself seems to have been too supremely reliant on American customers whose numbers diminished as sterling grew strong and recession took its toll.

THF spotted the drifting American trend in time to drum up more custom from the continent, visitors from which last year tended to offset the American decline.

If Sir Charles got the Savoy the day could be profit at any cost. That, says his critics, would mean the loss of that je ne sais quoi that separates the merely first class hotel from the very great.

Mr Joseph Max Munzel, of Plainfield, New Jersey, put the point rather more colourfully the other day in a letter to the Financial Times. Mr Munzel is one of the smaller shareholders in the Savoy Group, investing because he likes the Savoy Hotel for its thoughtful service, friendly atmosphere and its sense of history.

He had stayed at the George V in central Paris, one of three Forté hotels there. He wrote: "There were holes in the sheets. The service was efficient, but cold. The lights in my room were dim and the food was indigestible. But anyone who can read a ledger knows that the George V turned in a profit."

Has the George V suffered under THF in the past decade? Every customer will give it his own personal rating, but the Michelin Guide awards it the highest number of normal rating points, five. The other luxury class THF hotel in Paris, the Plaza Athénée—whose staff protested in the streets when THF took over—gets the Michelin accolade of five red symbols, an honour shared only with the Paris Ritz.

Mr Ronay, in the mid-evening put the Athénée—when it was already under THF management—among the best 18 hotels in the European Economic Community.

He also included in that select band THF's Grosvenor House, which with the Hyde Park Hotel is at the top of the THF range in London. He and Michelin's Great Britain Guide take about the same view of these two hotels.

Mr Ronay reckons that any hotel which gets 85 percentage points or more on his scale is in the deluxe class as opposed to just first class. The Grosvenor House has been at 83 points for some time and the Hyde Park, now at 82, put on a couple of points in 1980.

The view of some hoteliers is that the Hyde Park has improved. But the Automobile Association's hotels and restaurants guide hands out none of its coveted red stars either to the Grosvenor House or the Hyde Park, although they rate five black stars for their facilities.

If Sir Charles comes out of this sort of comparison better than he is given credit for, the case of the Pierre Hotel in New York's Manhattan may tip the balance the other way. Mr Ronay last time round rated it the best New York Hotel. In less than ten years THF, running the Pierre on a management contract, had turned it in to profit after years of losses, spending some \$2m in the process.

But a three-year break clause in the management contract came up at the beginning of this year and THF lost it to the Toronto-based Four Seasons group which runs London's Inn on the Park.

Mr Ronay thinks well of the Savoy Group's purchase of the splendid hotel in Knightsbridge with the atmosphere of an elegant private house. At one time it rated 96 points and slipped to 90 before settling at its present 92 on the Ronay scale. The group's Connought and Claridges also scored 92.

## Europe grows nervous over interest rates

Peter Norman

circumstances at present look particularly unfavourable.

Much of the blame for the present high level of interest rates in Europe has been laid at the door of the United States. But as Mr Alfons Van Der Stee, the Dutch finance minister, admitted this week, the Americans are only following the advice given to them—often gratuitously—by European politicians over the past few years, that they should concentrate on reducing their double figure inflation rate.

"What would happen if we were to ask the Americans to lower their interest rates?" asked one senior European central bank official this week. They would laugh in our faces.

Away from the political light there is a strong feeling among European monetary officials that the new American Administration should be given time to get on with the task of pushing through its economic policies.

"The last thing we should do is fly off on some half-baked initiative," said one official. "If we discourage the Americans from fighting inflation at this stage we shall have a hell of a lot more trouble in the future—in six or nine months time."

In the months up to Ottawa there are likely to be contradictory pressures on policy development. The populist political drive to cut interest rates is likely to be resisted, particularly in the central banks, which have to push through monetary policy. Nor will this resistance be conditioned solely by the belief that American inflation must be brought under control.

High real interest rates in countries like Germany and Belgium, which appear "unfair" to government circles, reflect domestic economic problems as well as the competitive

pressure of American capital markets. Germany would have no difficulties with credit policy if it were not running the largest current account balance of payments deficit in the world. Belgium would have less cause to complain if it were not saddled with the high per capita level of state debt in the West.

But the Savoy itself, the jewel in the Savoy crown, once rated at 94 per cent, is now out of Mr Ronay's deluxe category at 84 per cent. It dropped below the 85 mark a couple of years ago. Mr Ronay said yesterday: "This is still an outstanding hotel. But despite some spending on improvements and maintenance it is not what it used to be either in inner appearance nor in the service it offers. One, for instance, gets complaints about the switchboard. The cooking has gone down."

Other hoteliers say at least £5m needs spending on the Savoy to bring it up to scratch. The question that hangs over Sir Hugh and his board is whether, protected more than most from shareholder pressure to maximise profits, they might let the Savoy Hotel slip into an elegant decline that would go just too far, cannot be enough simply to wait for the tourist influx which the Royal wedding will bring to ease the financial lameness or hope for more favourable currency shifts to bring in more Americans.

The question which many people ask about Sir Charles Forté as potential head of the Savoy Group is whether a large chain would, however much it might try, leech out the ambience of the great hotel. Would the Savoy—and its sister hotels, the Park Lane, Connought and Claridges—become just another group of over-elegant hotels for the accountants to manipulate?

Derek Harris

## Business Diary: Greeks bearing gifts? • Insurance's Ombudsman

Irill's line about fearing Greeks even though they bear gifts is not deterring born-again anti-Greek John Biffen and Sir Francis Sandilands from receiving with open arms a posse of Greek bankers and politicians. Sir Francis, chairman of Commercial Union Assurance, is so chairman of the City's committee on invisible exports and it was in this role yesterday that he entertained to such a delegation of bankers, who are here under the leadership of Euthymios Christodoulou, governor of the central Bank of Greece. John Biffen, Secretary of State for Trade, has received his turn Greece's Minister of Economic Coordination, an Palkotiras. Biffen's department wants to subsidize a £150m bid by GEC build and supply coal to a power station in Greece. Palkotiras, having been told that "are not getting out of which Greek gifts," is said to have id something to the Memorandum last year still stands. Governor Christodoulou and his team were talking to Sir Francis and his team about services the Greeks might provide. Today the banker ens a branch of the National Bank here and signs a loan—first non-European \$100m from Arab institutions, from them a new one capitalised at \$1,000m, the Arab Bank Corporation.

Brian Ford, the Euro-MP for London West, is organising a "French" conference on today week in County Hall, London.

The precise and dapper military man of solicitor James Haswell, the new Insurance Ombudsman, is not deceptive. Haswell spent many years with the Army Legal Service and says that sorting out the financial, legal and marital problems of the soldiers was excellent training for holding the ring between insurance companies and dissatisfied policy-holders.

This particular ombudsman was the idea of General Accident, Guardian Royal Exchange and Royal Insurance, which unlike fellow insurers saw the need for an independent alternative to the courts.

Watching the watchdog will be the Council of the newly-formed Insurance Ombudsman Bureau (financed initially by the same three), to tell representatives from, among others, the Consumers' Association and the Citizens Advice Bureau and under the chair-

He is lining up experts from the European Commission and the Department of Trade, as well as a "Frenchman", to tell civil engineers their own game and win a greater share of lucrative aid contracts in the developing countries. A "Frenchman" turns out to be André Auclert, head of finance and administration in directorate general VIII in Brussels, which deals with development.

Hord, a chartered surveyor, and a member of the European Democratic Group—Tories to you—says that contracts worth millions of pounds for building roads, runways and other big engineering jobs are being paid for from European funds



Mr James Haswell.

manship of the redoubtable Mrs Joan Macintosh, vice-chairman of the National Consumer Council and formerly with the Foreign Office.

Haswell will be in business from the end of the month as "counsellor, conciliator, arbitrator and adjudicator" to deal with grievances and complaints from disgruntled motorists.

It looks as if the slump is causing a chain reaction in chemical industry trade associations. The British Plastics Federation is the latest such association to run into financial difficulties. The Chemical Industries Association has already announced that it is to shed about 30 jobs.

The plastics federation made an operating loss last year. This is not unprecedented but the amount is disturbingly large—like most other industry organizations it is now working hard to keep its members.

About 350 companies belong to it, but it is said that "dozens" have indicated that they want to resign.



Mrs Joan Macintosh

householders and travellers who insure with any of the nine Insurance Ombudsman Bureau companies.

Despite the initial snottiness of other insurers, the list of those thinking of signing up grows by the hour, as more and more fancy the whiter than white mantle that IOB membership might bestow.

It is an understandable economy in a time of great difficulty, but Anthony Holmes-Walker, the federation director, and his team are talking to each company individually to try to persuade them that it is not in their best interests to talk out now that the going is tough.

He has not been helped by a hefty increase in fees, calculated on last year's turnover when business was more buoyant.

Meanwhile, the plastics federation is cutting its coat—plastic mac?—according to its members' cloth. Over the past 12 months the wage bill has been cut by 15 per cent, with staff slumped from 50 to 41.

My detestation of the awards business abated for a moment when a haughty-sounding woman from an advertising agency telephoned to ask me to present the Advertising Circle Honours in London.

How refreshing, I thought, to interpose the back-slapping with a few unkind words from an unbeliever, and even as my caller spoke, fragments of a speech came to mind . . . circle a lot of twerps . . . only last month bowed to industry pressure and abandoned plans to give brickbats as well as bouquets this year . . .

Then the haughty lady's words cut into my consciousness, as she said: "Alan Coren is ill and you're next on our list." After all, I was a television critic and would therefore do . . .

It was at this point that I had to restrain myself from accepting the invitation.

Candour prevailed, and I let the haughty lady in on a secret—the chap she wanted was none, Ross Davies, but Russell Tovey, the television chap on The Sunday Times, with whom I am occasionally confused by our common switchboard.

Freudian slip of the week. I think, was when a BBC Radio newsreader said: "Mr Roy Jenkins, speaking at a Budget—er—banquet . . ." Sir Geoffrey's latest effort did rather bring to mind one or two of Wog's when in office. Alternatively, could the newsreader have been thinking that we might see Jenkins back with the little red box ere long?

Ross Davies



## FINANCIAL NEWS

## Stock markets

## Hopes of cut in MLR boost gilts

Indications from the Treasury that the recession was bottoming out, and renewed speculation of another cut in MLR, attracted further institutional support yesterday.

Share prices raced ahead from the start with strong support for second liners. Jobbers, still under pressure from a general stock shortage and lack of selling pressure, are already talking of going through the 525 mark some time during the next account. The current strength of Wall Street is a major incentive.

Sentiment was also supported yesterday by the long list of bid situations and the exceptionally large number of company results. Full-year figures from Cadbury Schweppes pushed the shares up 5p to 83p.

Building shares again came in for close scrutiny but early demand for gold on the back of the bullion price soon petered out as it closed \$1 down at \$308.50 an ounce.

The FT Index opened 0.5 higher and rallied to 6.4 at 3 pm, before profit taking on the back of early trading on Wall Street saw it close 5.6 up at 495.7.

The continued strength of sterling and talk of another cut in MLR kept Government securities moving ahead. Dealers reopened prices about £1 higher in anticipation of foreign buyers. In the event, most of the demand was from home-based institutions. Prices at one stage were as much as £1 higher. The Government Broker sold a little more of the new tax Exchequer 12½ per cent 1990 at £15½ after which it was

withdrawn. By the close, prices in long were below their best but still showed rises of up to £1, while in shorts the gains were restricted to around £1. The money supply figures were as expected.

Leading industrials again remained neglected but prices closed mostly higher in line with the rest of the market. Bowater was an outstanding feature, ahead of figures next

Clients of two brokers, Heseltine Moss and Pilling Trippier, are holding their breath, waiting for the results of the fact that Western Scientific's 25p per share bid has won 81.5 per cent acceptance. The embarrassing problem for Western is that the shares are 28p in the market on the basis of a tip that a minority stake might be worth while. Heseltine, advising about it.

mouth, rising 9p to 213p as buyers came in for its oil and gas exploration interests in the United States. Other rises saw ICI up 2p to 236p, Beecham 1p to 170p, Glaxo 4p to 280p, Unilever 3p to 430p, Fisons 7p to 155p, Distillers 1p to 189p and BOC International 3p to 177p. Lucas reporting next week was the one black spot, tumbling 5p to 166p.

Shares of ICL were suspended at 47p pending the announcement of a £200m loan arrangement. Engineering shares again higher. The Government Broker sold a little more of the new tax Exchequer 12½ per cent 1990 at £15½ after which it was

were seen in Metal Box 4p to 174p, Tubes 6p to 194p and Hawker Siddeley 8p to 290p.

Among the second string stocks, Anderson Strathclyde hardened 31p to 87p after comment with Bostell 4p higher at 362p, ahead of figures next week, and Camford Engineering 5p stronger at 24p. Half Engineering rallied 14p to 170p after

figures but, halved profits clipped 5p from Wolsley Hughes at 228p and Thomas Tilling dipped 7p to 155p after comment on its recent figures. Building shares also found further support with Barratt Developments up 10p to 240p and Fairclough Construction 2p higher at 97p both having reported earlier this week. Reported Ceramic ended 8p dearer at 113p, after figures, and with jobs short of stock DPB leapt 16p to 265p. Travis & Arnold eased 2p to 189p after a recent bid demand and nervous selling stripped 5p from Brown & Jackson at 88p.

The renewed demand for leisure shares saw Ladbroke advance 11p to a high of 286p along with Pleasuream 5p to 213p. Maintenance agency & Music 8p to 198p and De Vere 10p to 228p. But Epicure eased 2p to 283p in late trading after its hotel disposal.

On the bid scene, Grand Metropolitan rose 5p to 132p in the wake of its bid for Warner Holidays where the ordinary picked up 3p to 130p and the "A" 1p to 103p. Trusthouse Forte also made ground, up 3p to 206p, still fighting to gain control of the Savoy Hotels where the "A" hardened 1p to 170p. Elder Smith was another firm spot,

rising 17p to 195p as Mr Robert Holmes A Court's Bell Group announced it had increased its stake to 50 per cent.

In banks, Standard Chartered recovered another 7p to 574p following its merger proposals for Royal Bank of Scotland 2p dearer at 132p while Lloyds & Scottish, currently the target of Lloyds Bank, edged ahead 2p to 199p. Lloyds Bank was 3p firmer at 318p.

Elsewhere, Midland, reporting later today, increased 5p to 313p along with Barclays 2p to 390p, but National Westminster fell 1p to 355p. Rumours of a bid in the offing for Commercial Union caused a flurry of activity in spite of an official denial from the company. Commercial Union, which goes ex div at the end of the month, rose 3p to 167p followed by Royal

Talk of a 60p a share bid from Far Eastern sent shares of London & Overseas Freighters jumping 41p to 423p yesterday. Brokers Lawrence Prust are said to be active buyers, and the extensive Far Eastern connections add further support to the theory.

Insurance 5p at 388p, General Accident 12p at 340p, GRE 10p at 352p and Sun Alliance 2p at 814p.

Among the long list of companies reporting, satisfactory trading news added 1p to A & J Mucklow, 21p to Britannia Arrow at 47p, 3p to T. Clarke at 24p, 10p to Sale Thru at 180p, 2p to Sharpe & Fisher at 47p and 10p to Steeley at 181p. But the market was less than impressed with figures from FW Thorpe down 2p to 105p, Wolsley Hughes 5p lighter at 225p, Hawley Leisure 1p at 58p.

Equity turnover for March 18 was £155.523m (bargeals 1,812). Active shares according to the Exchange Telegraph, were Cadbury Schweppes, Lesmo, Hawley Leisure, Plessey, Liverpool Daily Post, Ladbroke, BPB, Commercial Union, Rascal, Hepworth Ceramics, Pleasuream and Steeley.

Traditional options: Dealers reported increased activity yesterday. Calls were active in British Aerospace, Tank, Rustenberg, Turner and Newall, Booker McConnell, Conax at a rate of 1p, Keith Collins Per at 4p and Howard Machinery at 1p.

Traded options: A total of 1,772 contracts were recorded yesterday. These included Rascal with 26, Shell 10, Commercial Union 58, GEC 58, ICI 14, and Lasso 13.

## Philips down as costs and competition take toll

By Our Financial Staff

Philips Lamps Holding, the Dutch electrical giant, maintained its final dividend at 1.20 florins despite a slump in consolidated net profit from 564m florins to 328m florins (163.2m). Earnings per share came to 1.92 florins, well below the previous year's 3.29 florins. But holding the final dividend means that the full payout is also maintained at 1.80 florins. This means shareholders will be squeezed as consolidated sales rose by 7 per cent to 36,536m florins. Operating profits were 1,796m florins, causing operating margins as a percentage of sales to fall from 4.8 to 4.3. The results include extraordinary charges of 179m florins and 600m florins written off in restructuring costs. But Philips also had tax benefits of 290m florins from the write off costs and another 130m florins from stock relief in Britain.

The restructuring costs were forecasted at the end of last year, when the company said that it would reorganise some of its manufacturing divisions. At the time, Philips warned that much reduced profits in the first three quarters of the year would be reflected in the final figures.

## Charterhouse Petroleum beats forecast

Charterhouse Petroleum has exceeded the profits forecast for the year to August when it was floated on the Stock Exchange by the Charterhouse group. Yesterday's results showed pre-tax profits of £5.3m for the six months to December, compared with the £4.85m forecast.

An interim dividend of 0.71p gross is recommended. The results included earned interest of £1.5m against a forecast £1.1m. Short-term deposits amounted to £23.9m.

Sales during the period were £6.6m but were affected by a drop in oil prices. The company said that it was in the process of raising its production to 1.4m bbl per day to 1.4m bbl per day.

## Lex falls to £12.8m but steady payout aids shares

By Rosemary Unsworth

Lex Service Group's profits plunged last year from £22.8m to £12.8m despite a 4 per cent improvement in the number of Volvos registered.

While group sales increased slightly from £499m to £503m in 1980, the hotels-to-car distribution group headed by Mr Trevor Chion, saw all its businesses hit by the recession and increased competition. Lex earns two thirds of its profits from Volvo for which it is the sole United Kingdom concessionaire. Margins here came under pressure as smaller cars became more popular than large ones.

During the year Lex sold three hotels, one each at Heathrow and Gatwick airports to EHC Penta Hotels for £2.5m cash and repayment of inter-company loans of £12m. The third hotel was in Chicago, and was sold for £2m.

The restructuring of Lex



Mr. Trevor Chion, chairman of Lex Service Group.

Vehicle Leasing in association with Lombard North Central also helped to reduce borrowings from £55m to £41m last year. Nevertheless, interest charges rose by a third from £6m to £8.2m.

The final dividend has been maintained at 6p gross, which with the 4p interim payment holds the total at 10p. The decision not to cut the dividend helped the shares to close unchanged at 100p, and give a yield of 10 per cent.

Since the year end, Lex has received the £8.2m proceeds from its sale of the 28 per cent stake in United Carriers, a road transport competitor. The deal showed a 54m profit. Lex which bought the shares in 1978 and 1979 but failed to go for a takeover, recently sold Whitehall Hotel in Houston Texas for \$4.75m.

The group's agreement with AB Volvo to import and distribute the cars and vans has been extended. It was previously five years to December 1984 but it has now become four-five year rolling contract.

## Briefly

Northern Foods - is accepting Avon's all-share offer for Robertson Foods in respect of its 4.6 per cent stake in Robertson. The offer is to be made over the running of January's eight government-owned sugar refineries. The agreement, which is for seven years, has been reached with the Jamaica National Sugar Corporation. It is in line with Tate's policy of developing its consultancy and services business. Tate is the only refiner in Britain of cane sugar, much of which comes from the West Indies. The agreement may also reflect the swing to the left in the Jamaican government.

Neelson David - Turnover for half year to September 30, 1980, £1.38m (£1.55m). Pretax loss, £12,000 (£1.55m). Pretax profit, £54,000 (£1.55m). Tax nil (same). No dividend.

James Walker Goldsmith & Silver - Turnover for half year to October 31, 1980, £11.5m (£10.31m). Pretax profits, £570,000 (£1.32m). Interim payment unchanged.

George Ingham & Co (Holdings) - Turnover for 1980, £2.7m (£2.28m). Pretax loss £72,000 (£19,000). Loss per share 3.6p (earnings 0.85p). No dividend.

Thames Water - No dividend on preference shares (£1.20m). Turnover, £36.23m (£31.48m). Pretax profit, £5.48m (£5.78m). Eps 380.6p (loss 56.6p).

George Ingham & Co (Holdings) - Turnover for 1980, £2.7m (£2.28m). Pretax loss £72,000 (£19,000). Loss per share 3.6p (earnings 0.85p). No dividend.

Although national beer production has fallen, particularly in the second half of 1980, Boddington's raised its volume by 0.5 per cent and the free trade now

## Liverpool Post group plunges

By Michael Prest

Last year's dispute with the National Graphical Association (NGA), lower advertising revenue, and the strong push caused the Liverpool Post Echo group's 1980 pretax profits to fall to £1.4m from £1.5m.

But the directors hope the results will improve in the current year and have maintained the final dividend at 8.63p gross, making 1.66p for the year, also the same. The market reacted sharply pushing the shares up 25p to 115p.

The dispute with the NGA which lasted for three years on Merseyside, cost the group £1.3m. Retirements and redundancies cost a further £1.3m and goodwill written off at buying anax Publishing £1.3m added another £1.3m to extraordinary items.

In the second half of the year the Liverpool Post Echo group, chiefly because of low advertising revenue and high wages. But the newspapers British Columbia and Pittsburgh were profitable.

The paper and packet division did well, despite low paper prices, and the group three paper mills kept the profit fall to 20 per cent.

More company news, page 2

## Latest results

Company	Sales £m	Profits £m	Earnings per share	Div pence	Paid date	Year's total
Int of Fin	24.7(21.5)	5.3(4.0)	1.6(1.33)	3.0(2.5)	10/10/79	3.0(2.5)
Boddingtons (F)	—	2.1(1.5)	1.0(0.7)	1.0(0.7)	15/4	1.0(0.7)
Britannia Arrow (F)	—	2.9(2.7)	1.2(1.0)	1.2(1.0)	15/4	1.2(1.0)
Cadbury Schweppes (F)	6.8(6.1)	5.3(4.8)	2.4(2.1)	2.4(2.1)	27/5	2.4(2.1)
Charterhouse Pet (F)	—	—	—	—	—	—
Celtic Haven (I)	0.6(0.3)	0.07(0.16)	—	—	—	—
T. Clarke (F)	14.3(12.8)	0.53(0.47)	1.1(1.0)	1.1(1.0)	17/1(1.4)	1.1(1.0)
Hall Esq (F)	102.1(97.68)	1.2(0.8)	4.3(3.8)	4.3(3.8)	5/5	4.3(3.8)
Hawley Leisure (F)	26.6(11.2)	1.2(0.5)	1.0(0.5)	1.0(0.5)	28/8	1.0(0.5)
Repworth Ceramics (F)	25.2(27.2)	10.2(10.9)	3.0(2.75)	3.0(2.75)	7/5	3.0(2.75)
Geo Ingham (F)	2.7(2.28)	0.07(0.02)	3.6(3.8)	3.6(3.8)	—	3.6(3.8)
Lex Service (F)	503.6(499.2)	1.3(0.8)	4.2(2.2)	4.2(2.2)	7/10/79	4.2(2.2)
L'pool Daily Post (F)	1.56(4.1)	9.5(12.4)	6.0(4.04)	6.0(4.04)	24/4	6.0(4.04)
Mercury Trans (F)	—	0.32(0.67)	—	—	28/4	—
Mucklow (I)	4.1(3.7)	1.8(1.7)	1.88(0.79)	1.88(0.79)	20/5	1.88(0.79)
Pressat Hedges (I)	3.1(4.7)	0.7(0.7)	0.33(0.7)	0.33(0.7)	7/5	0.33(0.7)
Reliable (I)	—	0.29(0.21)	—	—	7/5	—
Sale Tilney (F)	64.3(66.2)	1.93(1.8)	30.8(38.7)	4(—)	7/5	30.8(38.7)
Sharpe & Fisher (F)	25.9(23.9)	1.39(1.51)	4.7(6.1)	4.7(6.1)	11/5	4.7(6.1)
Sec City (I)	3.36(4.8)	0.7(0.5)	0.25(0.3)	0.25(0.3)	24/4	0.25(0.3)
Steeley (F)	34.7(39.7)	18.2(33.5)	31.8(30.44)	6.5(6.5)	14/5	31.8(30.44)
F. W. Thorpe (F)	2.0(1.24)	0.27(0.4)	—	—	14/5	—
Thames Water (F)	35.2(31.4)	5.5(5.7)	308.6(56.6)	308.6(56.6)	—	308.6(56.6)
Tomlin (F)	10.1(13.18)	1.26(0.01)	0.13(0.75)	0.13(0.75)	—	0.13(0.75)
Triacental (F)	276.5(209.2)	39.0(21.0)	27.7(20.9)	5.6(4.2)	14/5	27.7(20.9)
Williams & James (F)	7.15(7.3)	0.09(0.45)	—	—	14/5	—
Wolsley Hughes (I)	58.0(105.0)	3.43(6.9)	4.4(4.4)	4.4(4.4)	3/7	4.4(4.4)

Dividends in this table are shown net of tax. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax earnings are net. \* = loss.

## BUSINESS OPPORTUNITIES

## BARBADOS

Investors invited to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados.

## INVESTMENT OPPORTUNITIES

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## MISCELLANEOUS FINANCIAL

THREE HUNDRED THIRTY-ONE (331) FOR SALE. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados.

## SPANISH &amp; EXTERNAL LOAN

The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados.

## COMMERCIAL SERVICES

TELEX, telephone answering and other services. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados.

## PUBLIC NOTICES

## CHARITY COMMISSION

The Charity Commission is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados.

## SITUATIONS WANTED

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## FLAT SHARING

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## FLAT SHARING

## RICHMOND, 2 rooms, a b &amp; b

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## RENTALS

## GEORGE KNIGHT &amp; PARTNERS

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## VIDEO

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## RENTALS

## BARNES S.W.13

The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados. The company is looking for investors to share in the profits of a new and exciting business opportunity in Barbados.

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## RENTALS

## REGULAR ADVERTISING

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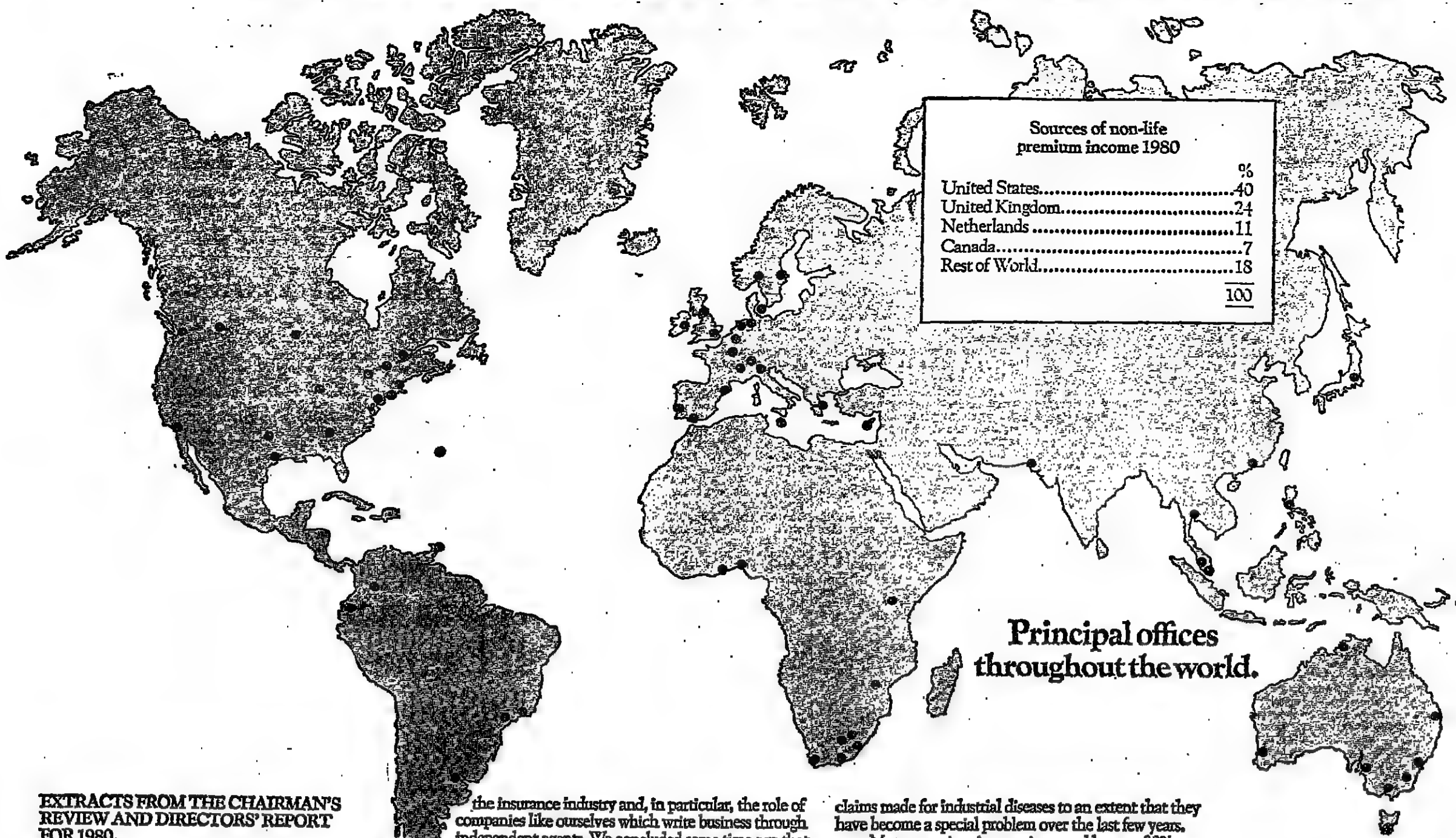
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# Commercial Union



## EXTRACTS FROM THE CHAIRMAN'S REVIEW AND DIRECTORS' REPORT FOR 1980

### Summary

The profit attributable to shareholders for 1980 (after taxation and minorities) was £76.5m compared with £91.8m for 1979. Earnings per share declined to 18.61p from 22.34p in 1979. The reduction in profits and earnings per share was due largely to adverse trading conditions in North America and the severe effect of changes in rates of exchange.

Your directors recommend the payment of a final dividend of 6.400p (1979 5.800p) per share which, with the interim dividend paid in November 1980, gives a total of 10.800p (1979 9.800p). This represents an increase of 10.2% on the dividend paid in respect of the year ended 31 December 1979. The cost of total dividends for 1980, including preference dividends, will amount to £44.4m, leaving £32.1m to be transferred to retained profits and reserves.

World-wide non-life premium income in sterling terms showed only a small increase of 2%. However, there was an underlying growth of 17% after allowing for the effect of changes in rates of exchange, the sale of shares in former subsidiary companies in Australia, New Zealand, South Africa and the Republic of Ireland, which have become associated companies, and other factors.

Our underlying rates of growth in premium income during the period 1976-1978, averaged about 6% per annum and were appreciably less than those of our competitors. This was because of the need to restrict growth in 1976-1977 in the light of our 1975 results and our low solvency margin at that time. In 1978 a policy of prudent growth was decided upon but it was not until 1979 that the effects of this policy first showed through with an underlying rate of growth of 12%, increasing to 17% in 1980.

Investment income in sterling terms, net of loan interest, was £142.8m (1979 £141.0m), but after allowing for the effect of changes in rates of exchange, the sale of shares in former subsidiary companies mentioned above and other factors, the underlying increase was 15%.

There was a small reduction in the sterling amount of life profits which were £15.2m compared with £16.6m in 1979. However, after allowing for the effect of changes in rates of exchange and other factors, life profits showed an underlying rate of increase of 8.5% over 1979.

Non-life underwriting suffered a marked deterioration during 1980, with a loss of £57.3m compared with a loss of £21.3m in 1979. As expected, results deteriorated in the United States and particularly so in Canada. The underwriting results in the United Kingdom and parts of Western Europe were also worse but they improved in the Netherlands. Marine and aviation business written in the London market resulted in a release of £3.2m to the profit and loss account compared with £2.5m reported in 1979.

### MAJOR TERRITORIES

#### United States

The underwriting loss rose to £31.8m from £8.3m in 1979. Investment income increased to £50.5m (1979 £46.5m).

For most of the year the economy was in recession and inflation was running at a high level. Competition within the insurance industry was so intense that it seemed that little heed was being given to the longer term consequences. Market capacity has been well in excess of current needs and this, together with the availability of high interest rates, has encouraged relentless price cutting, especially in commercial business.

Despite these conditions, we achieved a growth in written premiums in local currency of over 15%. This growth was considerably higher than the average growth for the industry and although our statutory claims ratio to earned premiums deteriorated to 70.7% (1979 69.4%), this modest increase was most satisfactory in the prevailing conditions. The commission and expense ratio to written premiums was 34.0% (1979 33.1%) and the statutory operating ratio 104.7% (1979 102.5%). The expense ratios reflect the continuing implementation costs associated with our long term strategy referred to below which is designed to achieve a larger share of the market as well as greater profitability.

Our long term strategy is based upon a comprehensive assessment of the changing conditions in

the insurance industry and, in particular, the role of companies like ourselves which write business through independent agents. We concluded some time ago that a fundamental change in our methods of operation, and in our relationships with the independent agents, was essential to protect the long term profitability of our business. The additional expenses involved in all aspects of the ensuing reorganisation represent, therefore, an investment to produce profitable growth in the future.

One of our principal objectives has been to secure a relationship with our independent agents based on mutual respect and increasing profitability. To this end, the products and services we have offered have been combined with broader authorities given to selected trained agents who have entered into contracts with the Company providing them with greater incentive and security.

Our objectives have been substantially achieved so far and although the underwriting prospects for the insurance industry in the immediate future are not encouraging, we have confidence in the effectiveness of our strategy for the longer term.

#### United Kingdom

There was a deterioration in underwriting experience in the UK during 1980 and a loss was made of £2.3m compared with a profit of £3.5m in 1979. Premium income increased by over 25%.

Trading conditions have been difficult. The practice of some companies to reduce rates substantially to protect their existing portfolios and to attract new business was a particularly adverse feature. Although the rate of inflation has been falling recently it remains a major problem for insurers. The severe economic recession has restricted real growth in the volume of available insurance business and underwriting capacity has exceeded requirements.

Although fire wastage during the year increased by 32% over 1979, competition for industrial fire and consequential loss business remained strong and the higher level of claims and exposure were not matched by increases in premiums. Nevertheless, in the absence of the poor weather conditions that affected 1979, our fire account produced a profit.

Employers' liability experience has deteriorated. Premium volume, which in this class is related to the wage bill of the insured, suffered as a result of the recession. There has been an increase in the number of

claims made for industrial diseases to an extent that they have become a special problem over the last few years.

Motor premium income increased by over 30% during the year but the account produced a small underwriting loss.

Life profits in the UK increased to £7.8m (1979 £7.1m). This increase reflects the triennial valuation at the end of 1979 of the closed Northern Non-Participating Life Fund.

#### Netherlands

The total result of our Netherlands subsidiary, Delta-Lloyd, was most satisfactory in 1980. The underwriting result showed a marked improvement, with a loss of £3.0m compared with £10.7m in 1979. Investment income was £18.1m (1979 £20.7m) and life profits were £6.9m (1979 £3.2m). The depreciation of the guilder against sterling by 21% during the year has depressed these amounts for 1980 in sterling terms.

#### Canada

Underwriting experience was particularly poor in Canada which produced a loss of £11.9m (1979 £0.4m profit). Investment income increased to £9.1m (1979 £8.8m). Premium income in local currency increased by 16%.

There was a continuing effect during 1980 of the distortions in the market place caused by the past operations of the Anti-Inflation Board and intense competition and uncertainty prevailed throughout the year. In addition, increased reinsurance capacity and the attraction of high investment returns have encouraged the persistent use of wholly inadequate premium rates.

#### Australia and New Zealand

Integration of our business interests in Australia and New Zealand with those of the National Mutual Life Association of Australasia Limited, became effective on 1 August 1980. We now have in each of these countries an associated company in which our effective interests are 45.9% and 49.2% respectively.

Trading conditions in both countries remained exceptionally difficult with unabated price competition. The underwriting loss in Australia for the first seven months of the year was £2.5m compared with a loss for the whole of 1979 of £2.3m. Investment income for the same period was £4.8m (1979 £7.0m full year). In New Zealand the corresponding results were an underwriting loss of £0.5m (1979 £0.5m) and investment income of £1.0m (1979 £1.2m).

### RESULTS IN BRIEF

	1980 £m	1979 £m
Premium income.....	1,171.5	1,148.5
Investment Income.....	151.4	153.6
Loan interest.....	(8.6)	(12.6)
	<u>142.8</u>	<u>141.0</u>
Life profits.....	15.2	16.6
Underwriting result.....	(57.3)	(21.3)
Associated companies' earnings.....	2.5	1.3
Profit before tax.....	103.2	137.6
Taxation and minorities.....	(26.7)	(45.8)
Profit attributable to shareholders.....	76.5	91.8
Earnings per share.....	18.61p	22.34p
Dividend per share (net).....	10.80p	9.80p
Shareholders' funds.....	£769m	£717m



## Commercial Union

Assurance Company Limited

Head Office: St. Helen's, 1 Undershaft, London EC3P 3DQ

### FINANCIAL

Sterling continued to appreciate in 1980 against most other currencies and particularly against the European currencies. The effect of changes in rates of exchange reduced premium income by £97.2m, investment income less loan interest by £11.5m, profit attributable to shareholders by £7.4m and shareholders' funds by £74.8m.

### Solvency

Net assets attributable to shareholders at 31 December 1980 amounted to £769m (1979 £717m) and the solvency margin (ie net assets expressed as a percentage of written premiums) was 66% (1979 62%).

### CONCLUSION

A year ago, I drew attention to the worsening trends in underwriting results which began in 1979 and were caused by a combination of increasing competition and inflation. Unhappily I was right then in suggesting that there were few signs of an early return to responsible market behaviour and, against a sombre background of continuing inflation, I believe that our results for the year are reasonably satisfactory.

In particular we did well in the United States to increase our premium income by over 15% and restrict the rise in our statutory claims ratio to 70.7% against 69.4% for the previous year, both of these being a better achievement than the market average.

While it is disappointing that our UK underwriting should have produced a small loss in 1980, this was in line with general market trends. However, there was a substantial increase in our premium income and we made good progress towards our objective of regaining a larger market share.

I am glad that we are able to record a marked improvement in the underwriting results in the Netherlands. In Canada there are now at least some signs of a change for the better in market conditions, though it will take some time for underwriting results to become satisfactory again.

The insurance industry is a major contributor to the country's invisible earnings and we as a Company can be proud of our own share in this. In 1979, the last year for which detailed figures are available, the net contribution to the balance of payments from the invisible earnings of the private sector was not far short of £5 billion. Of this total the insurance companies and brokers and Lloyd's of London between them produced almost one-fifth. I have every confidence in the strength of the British insurance industry and its ability to continue to make a truly significant contribution to the balance of payments.

Our business has always been cyclical and the downturns have in the past usually resulted from an over-capacity in the market following periods of good underwriting results. The current downturn has been particularly severe due to the unusual combination of deep economic recession and high inflation rates world-wide. The insurance industry faces another difficult year in 1981 but, in my view, we shall see the first signs of an upturn in the underwriting cycle by the end of the year. Our strong balance sheet will enable us to take full advantage of improving underwriting conditions as they occur and we are continuing our efforts to expand our market share, more especially in the United Kingdom and the United States. In the United States we have invested a very substantial amount in the restructuring of our organisation which is now beginning to show a return through increased premium volume and a stable claims ratio. A gradual reduction in the expense ratio should follow over the next few years. Moreover, the substantial increase in premium income already achieved in these countries should, subject to movements in interest rates, be reflected in higher investment income.

Francis Sandilands  
CHAIRMAN



## FINANCIAL NEWS

## Steelley falls 22pc despite boost from overseas

By Rosemary Unsworth

Overseas earnings leapt forward last year at Steelley, the mineral, chemical and ceramic group which serves the construction and steel industries, as the United Kingdom recession deepened.

While turnover for 1980 climbed by 16 per cent from £297.5m to £345.7m, pretax profits fell by 22 per cent from £23.5m to £18.2m, including the first full-year contribution from Gibbons Dudley.

The dividend total is held at 15p. This is covered 2.5 times on a historic basis. After the announcement, the shares gained 8p to 179p, putting the yield at 8.4 per cent.

Trading profit remained static at £36.4m, but the group's interest charges almost doubled from £3.9m to £6.9m although borrowings fell by £4.7m to £55m. The main reason for the increased charges was the £30m acquisition of Gibbons Dudley and two investments in Ohio.

However, the United Kingdom tax charge dipped from £3.35m to £2.0m because of first-year allowances and the new stock relief regulations.

Overseas profits rose by 9 per cent and now represent 37 per cent of operating profit. The French contribution doubled during the period to about £1m and North America performed well. Distribution activities in Canada's western states benefited from the area's rapid development, while results from Australia were at a similar level to last year's, although exchange losses on consolidation of overseas profits cost the group £594,000.

In the United Kingdom the construction side of the business, which is now the most important contributor, was badly hit by both the recession and the cuts in public expenditure. The main burden of these fell on the private sector, said Lord Boardman, the chairman.

## Cement-Roadstone in new US acquisition

Cement-Roadstone Holdings, a leading Irish building materials group with major interests in the UK and overseas, has acquired, through its US subsidiary, the Concrete Conduit Company Inc. for \$12m (£5.28m).

The purchase was financed by a placing of 7.75m shares.

Concrete Conduit, with sales in 1980 of \$20.2m, and pretax profits of \$2.1m, is a leading producer in four states of pre-

cast concrete vaults for power and telephone companies. Other products include prestressed concrete power poles, highway barriers and catwalks.

Cement-Roadstone's existing US operations are in the energy-rich mountain states. The addition of Concrete Conduit increases to 16 the number of manufacturing plants, located in the high-growth states of Colorado, Utah, Wyoming, Idaho, Washington, Oregon, California and Arizona.

properties have been recently valued at £4.62m, an excess of £3.27m over book value. This makes asset value 175p per share.

### Reorganization at Clark & Morland

Mr J. P. G. Morland, the chairman of Clark, Son and Morland, the unquoted company manufacturing sheepskin products, reports that at the beginning of January it became clear that the loss for the year to February 28, 1981, would be "very substantial". So the board commissioned a report by an independent firm of accountants, Spicer and Pegler, on steps to be taken to restore profitability.

The report's recommendations have been accepted by the board. One recommendation is to close down and dispose of the premises at Yeovil and this is going ahead.

### Rights issue by W E Norton

The board of W. E. Norton (Holdings), the machine tool merchants, is planning a rights issue. It will raise about £705,000 (net) by the issue of 780,000 new 11 per cent convertible cumulative preference shares of £1 each, 1996-2001.

Terms: one preference for every 27 ordinary shares at par. For the year to March 31, 1981, the board forecasts a pretax loss of "not more than" £975,000, after interest payable of £540,000, compared with a pretax loss of £247,000 for 1979-80.

## Morgan Grenfell jumps 43pc to £7.2m

By Ronald Pullen

Better conditions all round have resulted in Morgan Grenfell, one of the City's leading merchant banks, raising profits 43 per cent to £7.2m for 1980, after tax and transfer to inner reserves. The dividend to shareholders — Morgan Guaranty Trust of the United States, insurance brokers Willis Faber and a clutch of United Kingdom institutions — goes up a third to 6.7p a share gross.

The figures have been struck after a release of deferred taxation to inner reserves because of the earlier over-conservative treatment. The scale of this shows up in restated profits for last year, which have increased from £4.4m to £5m.

The bank has also brought more of its inner reserves into the open to bring issued share capital more into line with capital employed. There is to be a one-for-one scrip and a £7.5m transfer to published reserves, which raises disclosed shareholders' funds from £45.5m to £53.8m.

Mr William Mackworth-Young, vice-chairman, says that the Bank of England's liquidity proposals makes it necessary to put more of the bank's resources into the "shop window", and admits that he would be prepared to disclose more if the rest of the accepting houses would agree.

Lord Catto, Morgan Grenfell's chairman, attributes the success of the past year to the international development of the past twelve years.

Export finance has been especially strong, following the concession two years ago that merchant banks could fund, as well as negotiate, credits. Loans under the ECGD scheme have more than doubled to £109m and are expected to double again in the next year.

Elsewhere, the Eurocurrency side has done well — both bonds and syndicated credits.

## Hepworth Ceramic raises dividend

By Peter Wainwright

Hepworth Ceramic does not believe that cut dividends should follow enforced redundancies. Last year it made a quarter of its workers redundant and pretax profits plunged from £36.17m to £22.25m. But up goes the gross dividend from 7.15p to 7.50p despite more than halved earnings per share of 10.2p. The fall in current cost earnings was from 9.3p to 2.9p.

Relieved dealers lifted the shares 6p to 111p yesterday. So shareholders have not lost out on the autumn, 1979 rights issue of new shares at 93p when the existing ones were 100p. This issue raised £25m.

Last year the group, headed by Mr Peter Goodall, decided that the time had come for Hepworth Ceramic to contract, along with its markets.

The group found a decline of 30 per cent in every division except steel, where the slump was 50 per cent. In some areas like refractories it has 56 per cent of the market, and the board's hope is to bring about some price stability.

The background to contraction was the lowest number of housing starts since 1914, a slump in construction, and

a bad time for the automotive industry. The steel industry itself is pulling down output from 26m tons in 1979 to just over 11m tons.

In 1980 turnover fell from £272.24m to £263.21m and pretax profits from £36.17m to £22.25m. Before striking the latest profit the group deducted more than £5m in redundancy costs, but the bulk of closure costs totalled £6m (after tax relief). These appear as extraordinary items as a deduction from net profits.

Thanks partly to the timely cash call, and good housekeeping, the group ended the year with net cash balances of £19m against £33m the year before.



Mr Peter Goodall, chairman of Hepworth Ceramic Holdings.

## Hawley Leisure tops £1m

By Philip Robinson

Hawley Leisure, the United Kingdom's largest distributor of coin-operated amusement machines such as Space Invaders, yesterday reported more than doubled profits and a 100 per cent dividend increase.

The group, which three years ago was making losses, reported a maintained final dividend of 2p a share. The gross total dividend paid last year was 17.8p. The share price dropped 5p to 22p.

The group, which also manu-

## Interim slide at Wolseley-Hughes

By Margaret Pagano

Lower consumer and industrial spending more than halved pretax profits from Wolseley-Hughes, the central heating systems specialists.

Pretax profits slid from £7.69m to £3.43m in the six months to January 31 on sales which were down by some 20 per cent to £88.04m. The interim gross dividend is maintained at 6.28p. But Mr Jeremy Lancaster, chairman, said that the board's decision to maintain the dividend would depend on trading over the next few months. The gross total dividend paid last year was 17.8p. The share price dropped 5p to 22p.

The group, which also manu-

factures agricultural equipment, engineering, plastics, footwear and other products, traded at a record level in the year to last July with a 22 per cent rise in pretax profits to £15m. However, trading conditions since last May have gradually deteriorated with demand from the group's divisions overall down by about 20 per cent.

On the manufacturing side, order books had been lower by some 35 per cent compared with this time last year, said Mr Lancaster, and there had been no signs of any improvement in recent trading.

Short-time working continues at particular plants. Since last

January 800 employees had been made redundant. Wolseley now employs 4,500 staff on further rationalizations are ruled out. "We have in the past been rationalizing over the four to five years otherwise we would not have been so busy in the last year," Mr Lancaster said.

Borrowings, which at the end of last year were £4.62m, have not been increased, giving the group a net gearing ratio of 13.5 per cent. Interest charges in this half year were lower at £425,000, against £1.09m in time, and tax took £1.78m compared with £4m. This leaves pretax profits at £1.62m against £3.66m.

## Overseas side lifts Hall Engineering

By Margaret Pagano

Improved profits from Hall Engineering's overseas subsidiaries have compensated for the United Kingdom downturn lifting pretax profits by 11 per cent to £2.7m in the year to December against £6.3m last time.

Sales were £102.19m compared with £97.68m. The final gross dividend has been raised to 6p, making a total dividend for the year of 10.8p gross against 10p last year. The share price rose 1p to 170p.

Mr Richard Hall, chairman, said yesterday that conditions in 1981 could be worse than those of last year, particularly in the steel reinforcement and design divisions. Results from the United Kingdom would depend on improvements from overseas trading compensating for the expected depression but

should not fall short of last year's level.

In 1979 trading in South Africa contributed £1.8m to profits, £4.4m came from the United Kingdom divisions, and the remainder came from the Middle East.

The steel strike boosted trade with the group supplying many of British Steel Corporation's customers. Trading continued satisfactorily until August when orders began to slip and in the last quarter the slump was felt throughout the group. Short-time working was introduced and continues, and there have been a few redundancies. No further rationalizations are expected.

Tax charges took £1.1m against £2.2m and after an extraordinary credit of £52,000, attributable profits are £5.9m against £4.5m.

## Business appointments

### Changes at Inchcape

Lord Inchcape, chairman of Inchcape & Co, will also become chief executive of the company.

Mr H. P. Foxon becomes group managing director in addition to his office of deputy chief executive. Sir Eric Norris, a director, is made a non-executive deputy chairman. Mr P. J. S. Lumsden joins the board and will become finance director on May 1 in succession to Mr T. Hughes. Mr G. Holdsworth, a director, is made an executive director.

Mr Donald Kirkham is the new deputy chief general manager of the Woolwich Equitable Building Society. He is succeeded as general manager (operations) by Mr Peter Robinson, previously assistant general manager (development). Mr Michael Tuke has been promoted to assistant general manager (finance) but retains his post as secretary of the Society.

Mr Peter Hurst has been made senior regional manager and deputy to the senior international executive at National Westminster Bank's Africa and Middle East regional office within the International Banking Division.

Dr A. Passard, senior vice-president of Handelsbank NW Zurich (a subsidiary of National Westminster Bank) has been made a

member of the management committee.

Mr R. J. Starkey, joint managing director, is to take over as managing director and chief executive of Hamlyn and Co.

Mr J. A. Ferguson-Davis is now sales director of Samuel Bickett.

Mr A. R. White has joined the board of Halcrow (Offshore), an affiliate of Sir William Halcrow & Partners.

Mr Peter Usher has joined the board of Atco Holdings.

Mr David K. Grimes has been elected a director of Coplex.

Mr J. W. van der Velden has joined the board of Morgan Grenfell & Company.

Mr R. E. Stedman, Mr E. H. Carter, Mr J. R. Ross and Mr G. Fowler, all directors of Halcrow & Company, will join the board of E. Harding & Company.

Mr Brian Gilbert has been made director of claims. Excess Insurance Group. Mr Peter Mills becomes group manager UK claims, and Mr Peter Thompson group manager international and reinsurance claims.

Mr John S. Brown has joined the board of North West Securities, the finance house subsidiary of the Bank of Scotland.

As in 1979, the company paid no dividend to its parent General Motors.

## International

### Outlook bleak at Siemens

Siemens' turnover rose 5 per cent in the first five months of the year to September 19. Herr Karl Heinz Kaske, chairman of the board of management, said yesterday in West Berlin.

This stagnant turnover is a result in short-time working, some layoffs, with some permanent layoffs.

Herr Kaske said profit margins were threatened by increasing costs and competitive pressure. Greater efforts would be required if 1980-81 net profit were to reach the 1979-80 level of 4.87m Deutsche marks (£105.4m).

Meanwhile, Siemens was continuing discussions with Gm dig over possible participation in the company, Herr Kaske told the annual shareholders' meeting.

However, a Siemens spokesman said from Munich that talks were only intermittent and that nothing concrete had yet arisen. Siemens first said it was discussing possible participation with Grundig.

March 1980, Philips Gloeila pen-Fabriek, which has minority indirect stake in Gm dig, has expressed opposition to the proposal.

£67m loss at GM-H

General Motors - Hold (GM-H), Australia's large vehicle manufacturer, report a loss for 1980 of SA129.8 (£67.6m) against a profit of \$4.6m in 1979, on sales \$991.2m against \$1,090m.

Mr Charles Chapman, managing director, said that the loss was the result of the loss of the trimming of Holden range by dropping 10 models, the cost of closing 1 Pagewood, Sydney plant, including termination benefits at early retirement scheme, at the write-off of deferred taxes.

As in 1979, the company paid no dividend to its parent General Motors.

Bank Base Rates

ABN Bank	12%
Barclays	12%
BCCI	12%
Consolidated Crdts	12%
C. Hoare & Co	12%
Lloyds Bank	12%
Midland Bank	12%
Nat Westminster	12%
TSB	12%
Williams and Glyn's	12%

\* 7 day deposit on terms of £10,000, 10% p.a. £50,000 10% p.a. £100,000 10% p.a.

## Britannia Arrow rises by 87pc

By Our Financial Staff

Britannia Arrow Holdings, the remains of the former Slater Walker empire, yesterday reported pretax profits up by 87 per cent to £2.8m in the year to December.

The board is paying a dividend for the year of 1.42p gross against the 1p gross interim dividend last year. But the financial services group will resume paying two dividends a year from this year. The share price rose 21p to 47p on the news.

Sales were higher at £24.64m compared with £14.16m. After an extraordinary item of £5.48m credit, net profits were pushed to £1.8m compared with £3.5m last year.

M. J. H. Nightingale & Co. Limited  
27/28 Lovat Lane EC3R 8EB Telephone 01-621 1212  
The Over-the-Counter Market

1980/81 High	Low	Company	Price	Ch'ge	Gross Dividend	Yld	P.E.
75	39	Airsprung Group	63	-1	6.7	10.6	5.7
50	21	Armstrong & Rhodes	50	-	1.4	2.8	20.6
192	92	Bardon Hill	189	-	9.7	5.1	7.1
98	88	Deborah Services	95	+1	5.5	5.8	4.7
126	88	Frank Horsell	107	-	6.4	6.0	3.4
110	39	Frederick Parker	44	+2	1.7	3.9	16.3
110	73	George Blair	73	-1	3.1	4.2	-
110	59	Jackson Group	106	-1	6.9	6.5	4.0
124	103	James Burroughs	118	-1	7.9	8.7	9.7
334	244	Robert Jenkins	325	-1	21.3	9.6	-
55	50	Scruttons 'A'	51	-	5.3	10.4	3.7
224	215	Torday Limited	215	-	15.1	7.0	3.7
23	10	Twinklax Ltd	10	-4	-	-	-
90	69	Twinklax 15% ULS	72	-	15.0	20.8	-
56	35	Unilock Holdings	46	-1	3.0	6.3	7.1
103	81	Walker Alexander	100	-1	5.7	5.7	5.5
263	181	W. S. Yeates	260	-1	12.1	4.7	4.2

# 'Banks can play an important part in rebuilding industry and employment'

'The crying need is to get the general level of profits up, not the level of bank profits down. It is vital that we have the resources to go on supporting our sound customers and see them through their difficulties'

Extracts from the statement of the Chairman, Sir Jeremy Morse, in the 1980 Report and Accounts of Lloyds Bank

Pre-tax profits of the Lloyds Bank Group for 1980 were £290 million, 5% up on the previous year's £277 million. This rise was less than the general rate of inflation around the world, and our current cost accounts, which make adjustments for inflation, show pre-tax profits marginally down on 1979. After tax and dividends, profits retained in the business to finance our own and our customers' future expansion were £172 million.

Retail banking profits, in addition to reflecting our competitive performance, also rise and fall with the cycle of business activity and interest rates, particularly in Britain. This has been borne out in 1980. A good international performance by LBI helped to hold Group profits up; but increases in costs and provisions for bad and doubtful debts have marked the turn of the profit cycle in Britain. There will be further downward pressures in 1981 as the recession reduces the growth of loan demand and as interest rates fall.

The figures of bank profits, objectively considered, are not excessive. Taken over the whole cycle they may well not be sufficient to maintain our free capital

in real terms. Nor has the return we earn on shareholders' funds been out of line with that of industry in general.

The crying need is to get the general level of profits up, not the level of bank profits down.

At this stage of the cycle it is vital that we have the resources to go on supporting our sound customers, large and small, and see them through their difficulties. Not only is it

necessary to maintain a sufficient level of profits as a basis for future growth and as a first line of defence against bad debts and other losses; it is also necessary to have a strong capital position. This has become all the more important in the present economic climate of the world.

Within Britain, the immediate priority is the reduction of inflation, but we also have to prepare for the recovery after the recession. If it is accompanied by some sustained increase in productivity and the containment of inflation well within single figures, then the banks can play a very important part in rebuilding industry and employment, for their own as well as the general good.

Copies of the 1980 Report and Accounts are obtainable from the Secretary, Lloyds Bank Limited, 71 Lombard Street, London EC3P 3BS.

**BUDGET PROPOSALS:** We are very disappointed at the Chancellor's proposal for a large levy on the British banks. This is highly damaging at a time when industry desperately needs the support of strong banks. If it goes through, shareholders' funds in Lloyds Bank will be reduced by more than £60 million. We shall be doing all we can to persuade the government to change its mind before it is too late.

(From a letter to shareholders issued with the Annual Report.)



## Lloyds Bank Group

Lloyds Bank has 2,353 branches throughout the United Kingdom and there are now, in 44 countries, 498 branches and offices of the Lloyds Bank Group, including those of Lloyds Bank International, The National Bank of New Zealand and Lloyds Bank California.



100	120	122.5	14.27
400	130	130	11.6
130	140	142.5	14.27
130	150	152.5	14.27
130	160	162.5	14.27
130	170	172.5	14.27
130	180	182.5	14.27
130	190	192.5	14.27
130	200	202.5	14.27
130	210	212.5	14.27
130	220	222.5	14.27
130	230	232.5	14.27
130	240	242.5	14.27
130	250	252.5	14.27
130	260	262.5	14.27
130	270	272.5	14.27
130	280	282.5	14.27
130	290	292.5	14.27
130	300	302.5	14.27
130	310	312.5	14.27
130	320	322.5	14.27
130	330	332.5	14.27
130	340	342.5	14.27
130	350	352.5	14.27
130	360	362.5	14.27
130	370	372.5	14.27
130	380	382.5	14.27
130	390	392.5	14.27
130	400	402.5	14.27
130	410	412.5	14.27
130	420	422.5	14.27
130	430	432.5	14.27
130	440	442.5	14.27
130	450	452.5	14.27
130	460	462.5	14.27
130	470	472.5	14.27
130	480	482.5	14.27
130	490	492.5	14.27
130	500	502.5	14.27
130	510	512.5	14.27
130	520	522.5	14.27
130	530	532.5	14.27
130	540	542.5	14.27
130	550	552.5	14.27
130	560	562.5	14.27
130	570	572.5	14.27
130	580	582.5	14.27
130	590	592.5	14.27
130	600	602.5	14.27
130	610	612.5	14.27
130	620	622.5	14.27
130	630	632.5	14.27
130	640	642.5	14.27
130	650	652.5	14.27
130	660	662.5	14.27
130	670	672.5	14.27
130	680	682.5	14.27
130	690	692.5	14.27
130	700	702.5	14.27
130	710	712.5	14.27
130	720	722.5	14.27
130	730	732.5	14.27
130	740	742.5	14.27
130	750	752.5	14.27
130	760	762.5	14.27
130	770	772.5	14.27
130	780	782.5	14.27
130	790	792.5	14.27
130	800	802.5	14.27
130	810	812.5	14.27
130	820	822.5	14.27
130	830	832.5	14.27
130	840	842.5	14.27
130	850	852.5	14.27
130	860	862.5	14.27
130	870	872.5	14.27
130	880	882.5	14.27
130	890	892.5	14.27
130	900	902.5	14.27
130	910	912.5	14.27
130	920	922.5	14.27
130	930	932.5	14.27
130	940	942.5	14.27
130	950	952.5	14.27
130	960	962.5	14.27
130	970	972.5	14.27
130	980	982.5	14.27



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